

*Part 1*

# Our strategies and highlights of the year

2017/18



## Our next steps from DNO to DSO

- Responsible for keeping the network stable and power supplies reliable.
- Regional DSOs of sufficient size and capacity to be accountable.
- Interconnection boosts physical and cyber security resilience.
- Provide the physical trading platform for other parties in the Energy Market.
- Market maker for distribution grid services.
- Enabler to access transmission grid services market.



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## Part 1 – Our strategies and highlights of the year 2017/18

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### **1 Introduction**

2017/18 headlines  
2018/19 priorities

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### **2 Holistic, embedded strategy**

Our stakeholder strategy  
Our social responsibility strategy  
Embedding our strategies

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### **3 Our approach to engagement**

End to end meaningful engagement approach  
Embedding our approach  
Tailoring our approach

---

### **4 Understanding our stakeholders**

Gaining greater insight through data  
Sharing data insights and understanding  
Our shared priorities

---

### **5–6 Developing our people, culture and capacity**

Developing our people  
– Senior management engagement  
– Embedding engagement  
Developing our partnerships  
– Industry collaboration and best practice sharing  
– Cross utility approach driving customer benefits  
– Partnerships driving innovation

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### **6–8 Delivering meaningful engagement**

A range of tailored channels  
Engaging the hard to reach – tailored and targeted approach

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### **9–10 Measuring, improving and delivering benefits**

Informed decision making  
External assurance and learning  
Meaningful engagement leading to clear, measurable benefits



I am privileged to lead a regional infrastructure business that provides an essential service to the communities in which we live and work. Our vision is **“To be the best energy company in serving our customers, while delivering sustainable energy solutions.”** In reality that is more a journey than a destination, and it means that every day we strive to find ways to deliver and then improve upon a consistently high standard of service for all of our customers, particularly those whose need is greatest. We have to hear the voice of our customers if we are to do that.

The entire energy industry is on a journey of unprecedented change. Yet our customers’ needs remain straightforward; time and again they tell us they want reliability and value. And they also tell us we have a responsibility

to look to the future, to provide a flexible energy system which enables our communities to use energy in the wider variety of ways that the future will offer.

Our Distribution System Operator proposals have been driven from the outset by our customers. Outlined further in Part 2, we have built a programme of engagement to harness our plans for an innovative new approach to the needs, views and priorities of all our stakeholders and customers.

Our company and our customers share a proud heritage in both energy and industry. Our lead role in the Northern Energy Taskforce responds to the wider strategic needs of our regional stakeholders. Many believe that the recommendations of the Northern Energy Strategy could unlock the economic potential the North has to offer as an energy-rich region. We believe we have an obligation to play an active part in helping our stakeholders explore possibilities that might otherwise be lost.

In the past year, we have transformed the quality and outcomes of our engagement by retaining the successful elements of the past (our pioneering Stakeholder Panel) and adding elements our customers find particularly

valuable (including partnerships, and a strategic framework). Internal groups then channel the stakeholder voice more effectively within our business. As a consequence, in this report you will read about the impact our stakeholders have had on our policy responses, our capital programme (undergrounding, flood defences), our customer contact and commitment to a smart energy grid for future generations.

Our aim has always been to ensure that our stakeholders and customers are heard within Northern Powergrid, driving the quality of planning and the effectiveness of outcomes. Our new approach makes these debates be heard more clearly and brings us closer to the people we are proud to serve.

**Phil Jones**  
President and CEO

## 2017/18 headlines

**170**

meaningful  
outcomes  
delivered for  
stakeholders

**18,000+**

stakeholders  
engaged

**Leadership**

Executive team  
leading stakeholder  
discussions on  
strategic issues

**95%**

satisfaction  
with webinars –  
broadening reach  
through digital  
channels

**Policy**

Stakeholder voice  
influencing policy  
– local energy,  
undergrounding  
and charging  
methodology

## 2018/19 priorities

**Keeping our promise to deliver more for less for our customers – innovation driving improvements**

**Pioneer the use of smart meter data to realise benefits for our stakeholders**

**Work with our stakeholders to prepare for a successful transition to being a DSO**

*“Northern Powergrid continues to embed good practice in stakeholder engagement across the business and to develop innovative approaches and collaborations where possible. As in previous years, the strengths of the company’s approach are its business culture, the strategic nature of the response to stakeholder needs, and the provision of sufficient resources to deliver engagement and respond to stakeholders. There is evidence that systems are maturing, and that NPG is seeking to strengthen the culture of engagement and spread good practice further through the business. We particularly welcome the current focus on deepening the integration of stakeholder engagement within core strategy and business planning.”*

SGS AA1000 Stakeholder Audit – May 2017

### CASE STUDY

#### Stakeholder voice influencing policy

##### Feedback and insight

- ▶ Stakeholders want to be engaged early and influence strategic decisions in our business and also at a policy level.
- ▶ Stakeholders do not always have the right channels for being heard collectively on policy.

##### What we did

- ▶ Introduced consultation response discussions at our stakeholder panel.
- ▶ Engaged 10 Local Authorities to discuss their local energy needs and wrote to Ofgem to raise their issues.
- ▶ Engaged with all our National Parks and

AONBs to discuss and agree undergrounding investment schemes and then engaged Ofgem to discuss further investment.

##### Outcomes and benefits

- ▶ We have responded to a number of consultations reflecting the collective views of our stakeholders, e.g. Industrial Strategy, Innovation, Electricity Storage, Last Resort Supplier and RIIO2 consultation.
- ▶ Our stakeholders’ views are being put to policy makers on specific issues such as the discussions about new connections in areas where cable undergrounding is taking place.



We have a clear strategy in place that guides the delivery of our initiatives, projects and programmes, which we have highlighted in this submission.

## Our stakeholder strategy

Our stakeholder strategy defines how the role of engagement underpins the delivery and development of our business in the short, medium and longer term. Our activities and initiatives ensure stakeholders and customers and their priorities are influencing our business plans and service improvements. The strategy is not rigid. It is informed by our research and engagement activities and the increased learning this brings; adjustments are

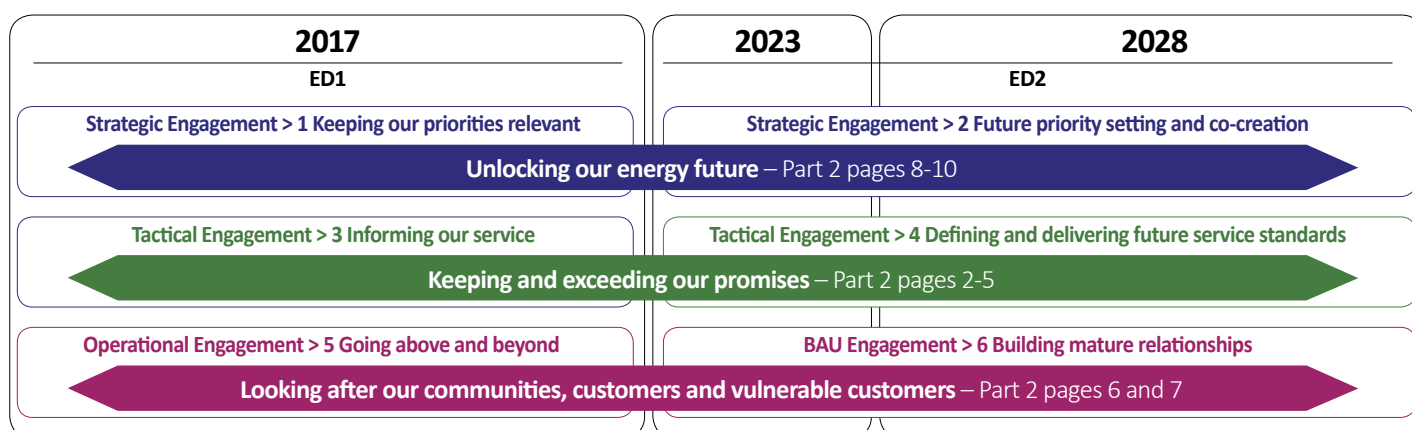
subsequently agreed with our executive and stakeholder panel.

The three areas of the strategy that stakeholder engagement underpins are Unlocking our energy future, Keeping our promises and Looking after our communities.

Examples of the outcomes and stakeholder benefits we are delivering within these areas are illustrated throughout Part 2.

*"The new business planning process for stakeholder engagement includes new reporting templates and processes, in which stakeholder reporting is integrated with existing reporting against key business improvement initiatives and business plan objectives. This is a powerful way to integrate reporting and monitoring progress into the core of strategy and operations, and ensure that Directors are kept aware of progress."*

SGS AA1000 Stakeholder Audit – May 2017





## Our social responsibility strategy

Our five Social Pillars (see below) are the foundations on which our social responsibility strategy is built. They were developed in 2015 with guidance from our external panel, the Social Issues Expert Group, and have been tested with wider stakeholders' groups since then. The Social Pillars link our strategy to our social programme.

As a regional infrastructure business that serves the communities in which we also live and work, our pillars bring a focus and approach to different social issues which are impacting our customers and wider communities and show how we can make a difference. Details of our community engagement and education programmes can be found in Part 2 of our

submission and our consumer vulnerability and affordability programmes are detailed in Part 3.

 Vulnerability	 Affordability	 Community	 Education	 Engagement
Providing targeted support to our most vulnerable customers before, during and after a power cut.	Helping customers and communities by alleviating the effects of fuel poverty.	Strengthening communities whilst ensuring and securing safer places to live and work.	Creating a more informed and aspirational generation for our industry and the communities we serve.	Empowering our people to improve our engagement and deliver a timely response to our customers' needs.
<b>28.6%</b> of our households have a person with a long-term health problem or disability.	<b>15.6%</b> of our customers are living in fuel poverty.	<b>8.2</b> out of a potential 10 vulnerabilities recorded in 15 of our urban communities.	<b>24.5%</b> of our customers aged 16+ have no qualifications.	<b>1,684</b> hours volunteered in 2017.

## Embedding our strategies

Our stakeholders told us that they wanted to influence our business plans, so we have changed our management processes to make this happen. In 2017/18 our focus has been:

**NEW** To bring the voice of stakeholders in earlier – before the very start of our annual business plan cycle. Executive directors and senior managers take part in round table open discussions about the big questions that they have yet to form

answers on in their respective areas, shaping their views before the planning has even started.

**NEW** Defining the measurement and reporting of our initiatives based on what stakeholders value, not legacy business performance measures. Working across the business to better define, measure and report outcomes, impacts and benefits (see page 9) which

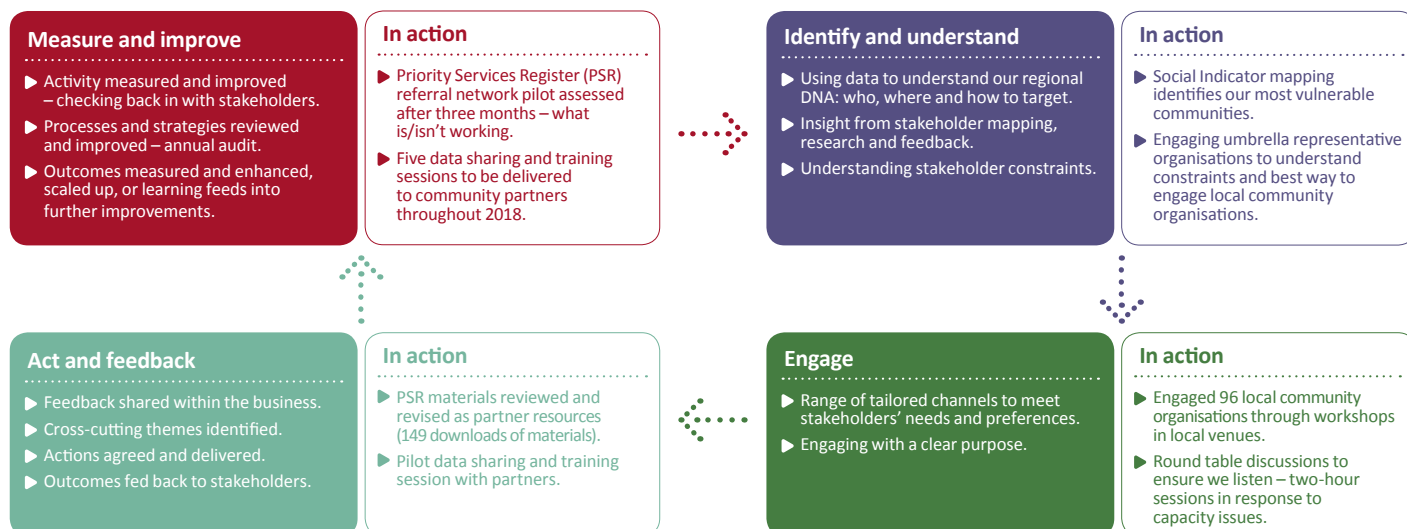
are meaningful for our stakeholders. This includes adapting core reporting procedures and ensuring there is continuous visibility and focus on this measurement and approach.

► Internal engagement and training to increase awareness and provide the skills and tools to do the job (see page 5).

Creating lasting relationships with our stakeholders and communities is essential to the long-term sustainability of our business, helping us design and improve services. We have strengthened our end-to-end engagement approach, embedding it within our governance processes and bringing our stakeholders' voice earlier within our annual business planning cycle.

## End-to-end meaningful engagement approach

Our cyclical approach to engagement is set out below, along with the example of how this works in practice through our community engagement workshops.



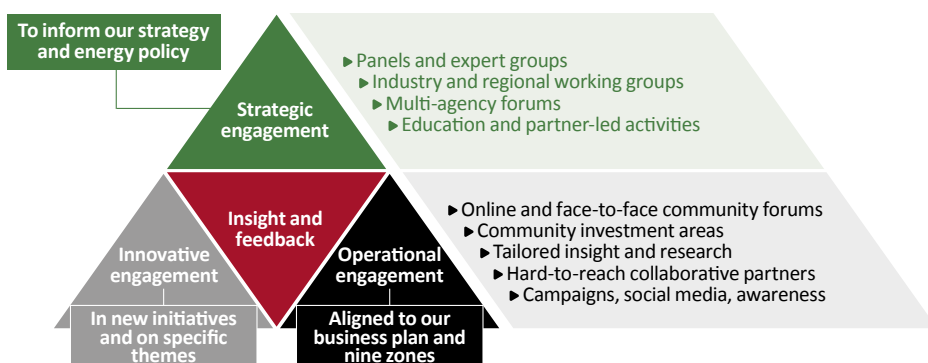
## Embedding our approach

It is not enough to simply share the engagement approach with our colleagues; we have truly embedded engagement within our governance this year and within our annual business planning and weekly, monthly and quarterly management reporting processes. We have also developed a series of engagement improvement initiatives to support service delivery to our customers and enhance the skills of our colleagues across the business.

Priority	Initiative examples in 2017/18
Developing engagement, data and research channels	<ul style="list-style-type: none"> <li>▶ Social indicator and business data for our region now available for easy interrogation on our on-line system (see page 4).</li> <li>▶ Early engagement on key issues – priorities and horizon scanning discussions introduced earlier in business planning cycle (see page 5).</li> <li>▶ Engagement plans for each key business activity before executive sign off.</li> </ul>
Developing our people, culture and capacity	<ul style="list-style-type: none"> <li>▶ Bespoke consumer vulnerability training delivered to 1,728 staff (see Part 3 page 8).</li> <li>▶ Regular briefings to staff explaining how we can Make Every Contact Count particularly for our vulnerable customers (see page 5).</li> </ul>
Deliberate development of key partnerships	<ul style="list-style-type: none"> <li>▶ Community partnerships expanded to match the needs of our vulnerable customers which enables increased PSR referrals, shared learning and drives local innovation (see Part 3 page 5).</li> <li>▶ Collaboration in innovation expanded to support DSO and smart grid enablers programme.</li> </ul>
Robust governance, processes and measures supporting, learning, review and continual improvement	<ul style="list-style-type: none"> <li>▶ Strategic Stakeholder Engagement Management Group (SSEMG) members refreshed to ensure we have the senior/executive leads for a broader expansion of work with a clear focus on the outcomes of engagement plans (see page 5).</li> <li>▶ Strengthened approach to measuring outcomes, impact and benefits (see page 9).</li> </ul>

## Tailoring our approach

We strive to have an engagement approach which is open and accessible to all who wish to take part (see pages 6 and 7). However, we also understand that our stakeholders have differing levels of knowledge and interests and this will influence where and how they wish to engage. Tailoring our engagement approach from light touch to in-depth engagement ensures as inclusive an approach as possible. We respect our stakeholders' time and so we have a flexible range of engagement channels to suit their preferences.



An increased understanding of our stakeholders helps us to prioritise, target and tailor our engagement and the programmes we deliver as a result.

## Gaining greater insight through data

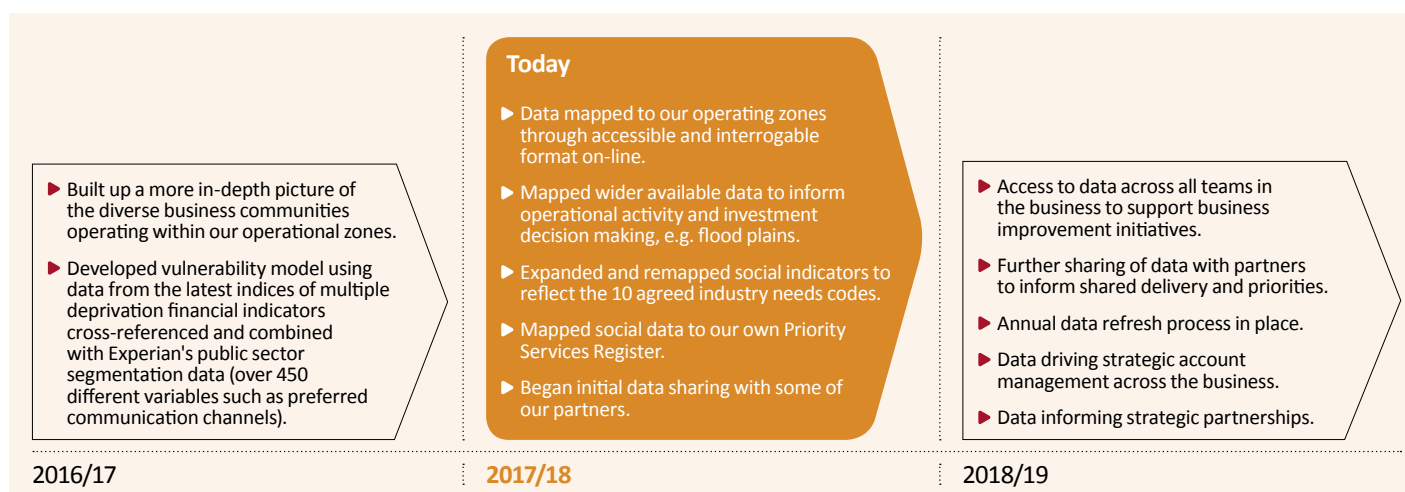
Last year we reported how we had significantly increased access to data which gave us a more informed view of the communities we serve. A particular focus was given to vulnerable customers and issues of affordability to support developments within our social programme.

NEW

We have continued to develop these tools so that we have data which is more meaningful and accessible for our

colleagues and partners. Continuing our work with Experian we now have a web-based system, Tableau, which allows us to interrogate data such as social indicator information, in line with our own operating boundaries. Introduced in November 2017, this increased interpretation of and accessibility to the vast data sources we have available is already helping us make better informed decisions and target our

resources. We have piloted this approach and plan to utilise and roll out a further suite of business community data in conjunction with our own operational data throughout 2018. Although still in the pilot stage – Ovo Energy and Sainsbury's are now talking to Experian about using this model to target their activities and we believe this may be of interest to the wider industry following this pilot stage.



In 2017/18 the data has helped us to take a more informed approach and make more efficient use of resources:

- ▶ Target 105 campaigns in areas with least awareness in a tailored and focused way.
- ▶ Target our engagement in our most vulnerable communities to expand our PSR referral network.
- ▶ Informed the scope of projects such as the Nissan battery feasibility study (see page 6).
- ▶ Expand our social programmes into our most deprived areas, where they can deliver the greatest benefit.
- ▶ To better understand the needs and challenges of residents in our tower block improvement programme to tailor our approach.
- ▶ Share data with Yorkshire Water to inform a community engagement and PSR referral project later this year, which is now in development.

NEW

## Sharing data insights and understanding

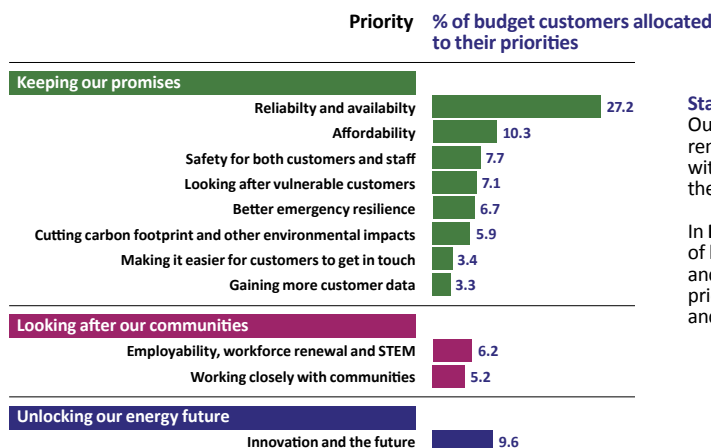
We have already seen the value of detailed and accessible data, so we are working to share it with our partners. Stakeholder suggestions for opportunities that the data presents include:

- ▶ **Utilities** – sharing with both gas and water companies to inform our shared consumer vulnerability and social programmes.
  - ▶ **Local Authorities** – targeting shared resilience programmes.
  - ▶ **Third-sector partners** – to inform how we tailor and target our joint projects and strengthen bids for further avenues of funding.
- Our stakeholders agree that sharing this information needs to be done in a controlled manner as data insight comes with a high degree of responsibility. We are already working on sharing agreements which define appropriate control procedures.

## Our shared priorities

As well as the breadth and depth of engagement and feedback we get from our tailored and targeted engagement, it is important that we regularly check in with a broad representative group of our stakeholders to make sure that overall our priorities and delivery of our business plan are on track.

To inform our 2017/18 Business Plan, our stakeholder priorities research was followed up with qualitative focus groups to give us a more detailed understanding of our stakeholders' expectations within these priorities.



**Stakeholder priorities**  
Our stakeholder priorities remain broadly consistent with reliability and availability the number one priority.

In **Part 2** we set out examples of how we are responding to and delivering against these priorities for our stakeholders and customers.

**We work hard to ensure every member of Team Powergrid has the right skills, tools and capability to deliver excellent stakeholder engagement and service for our customers. We also know that we can achieve more together through partnership and collaboration.**

## Developing our people

### Senior management engagement

We have held a monthly forum on our stakeholder engagement activities since 2013. This group has recently been refreshed to increase membership of executive leads as well as senior managers to discuss strategic focus of engagement outside of the board room. Our Strategic Stakeholder Engagement Management Group is chaired by our Policy & Markets Director with each area of the business accountable for their own engagement plans aligned to their business plan responsibilities. This group monitors progress and forthcoming engagement and, critically, potential areas of overlap, duplication, or where complementary activities are taking place, helping our teams to deliver more effective outcomes for our stakeholders and to deliver our Stakeholder Strategy.

Our executive has clear visibility of our progress across Stakeholder Engagement, Social Responsibility and Consumer Vulnerability Programmes. There is formal reporting into quarterly Board meetings and monthly executive meetings. There are also weekly updates provided on our executive call, led by our CEO. This ensures the executive is regularly monitoring, shaping and challenging our plans and progress.

As well as delivering day-to-day engagement with key stakeholders, our executive and senior managers are actively involved in our strategic engagement activities, recognising the importance of hearing views and feedback directly. Since its inception in 2013, five directors regularly attend our quarterly stakeholder panel to participate in discussions, take questions and report on progress in key areas of network performance, environment and safety,

regulation and policy consultations. Our executive lead on key strategic themes and events such as DSO and Smart Grid and have led each of our six business planning round table discussions on key and emerging issues.

### Embedding engagement

Whilst it is important that our executive and senior managers lead the organisation's strategic stakeholder engagement, social and consumer vulnerability programmes, doing the right thing for our customers and stakeholders is everyone's responsibility and accountability.

Last year we launched our Make Every Contact Count (MECC) engagement campaign. We have built on this using our simple MECC promises to our customers, branding these into our internal communications, engagement and capacity building activities. Embedding our approach in business as usual activities reinforces the message that engaging and responding to the needs of our stakeholders and customers is part of everyone's job. In order to further build the capacity and capability of our staff this year we have:

- ▶ Engaged 3,164 colleagues who regularly receive social responsibility, consumer vulnerability and stakeholder engagement good practice briefings.
- ▶ Supported 160 key colleagues who have received tailored in-depth briefings through operational stand-down sessions and wider internal information sessions.
- ▶ Inspired 157 staff involved in volunteering through our social programmes, helping to build their understanding of the issues affecting our customers and increase their own job satisfaction.

NEW

Identified consumer vulnerability champions and stakeholder engagement champions across the business who have encouraged their own teams to deliver good practice, share messaging and get involved.

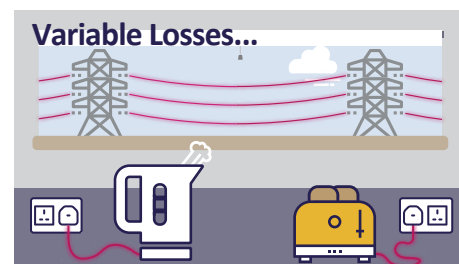
NEW

Supported our DSO team in ensuring complex subject matter is easily accessible and clearly messaged as they embark on our long-term engagement programme around this issue.

NEW

Developed new, innovative materials to support teams to better engage with their stakeholders around often complex issues including losses, community batteries, risk and communicating investment and improvement programmes to communities and civil leaders.

### Electricity losses animation developed following feedback



NEW

Run an engagement pilot with our asset management team to ensure our processes are fit for purpose – this has led to an audit of our templates to ensure stakeholder mapping is accurate and engagement plans are comprehensive.

## Developing our partnerships

Through collaboration, we not only increase our capacity, capability and reach, we also continually learn and improve. We do this in a number of ways, working with a range of complementary partners to deliver programmes and projects, shaping what we do and how we do it to ensure the best possible outcome is delivered in the most efficient and effective way.

### Industry collaboration and best practice sharing

We work closely with our peers in industry across a range of issues, sharing best practice and learning to inform joint projects and ideas we can roll out in our own area. Further examples and details of the examples highlighted to the right can be found in Part 4 of this submission.

- ▶ **Smart metering DCC user group with SPEN, UKPN and Siemens:** This collaboration led to all three Distribution Network Operators (DNOs) achieving the pending go-lives of their gateway programmes ahead of

schedule. The group remains active and recently led discussions at European Utility Week on smart metering cyber security and how smart meters can be used by DNOs in the future, sharing best practice with DNOs beyond the initial user group.

NEW

**Engaging together:** For the first year we shared a stand with other DNOs at the National Energy Action Conference, jointly sharing our PSR and affordability information with over 300 delegates. We also joined with the other DNOs to host a stand at the Rural England conference in January; raising awareness of 105 and PSR with this hard to reach audience.

NEW

**Communicating with vulnerable customers:** We lead the national PSR communications working group looking at how we can best reach out to customers in vulnerable situations through national campaigns and joint communication channels.

NEW

**Innovative spark – Working together to change the future:** DNOs have joined together to produce a joint Electricity Network Innovation Strategy. Significant work with stakeholders has ensured their voices have been heard every step of the way.

NEW

**The Future of the PSR – Using data to support customers in vulnerable circumstances:** The energy landscape – and the population – is changing. DNOs need to know how these new pressures may affect the way they plan their support for customers in vulnerable circumstances. Research has been carried out to help all DNOs understand how their Priority Services Registers might change in the future. It will help us plan our approach to caring for customers in vulnerable circumstances.



## Cross-utility approach driving customer benefits

Our Infrastructure North Partnership formed in 2013 when it was apparent just how many similar issues and customers we shared with the other utilities in our area; it made sense to take a joined-up approach and share learnings. This is now an area of best practice that others have adopted. We work closely on a number of projects with specific sub-groups for innovation, environment and social issues. Projects in 2017/18 include:

**SCALED UP** Data sharing with Northern Gas Networks (NGN). We have a mutually beneficial arrangement in place with NGN to access our PSR customer information provided through a comprehensive data-sharing agreement. In return their engineers and frontline staff sign up vulnerable customers to our PSR register so that we can provide them with extra help when they need it the most. This year we have received 4,320 referrals which is a 300% increase from the pilot year.

► **Golden Guide:** Targeting older people in Tyne and Wear, Northumberland and

County Durham, the Golden Guide, with comprehensive information, advice and guidance on energy saving and additional support, was published in January 2018. It is advertised within a referral magazine that targets older people living independently at home to ensure copies reach those vulnerable people who need the information most.

NEW

**Social impact research:** The first ever cross-utility industry research to explore the social impact of our improvement work on communities. This innovation project is exploring appropriate metrics for assessing the social impact of network interventions. It is investigating how innovation can be used to maximise benefits, reduce the impact on local communities and drive productivity.

NEW

**Future consumers research:** Targeting young, future consumers from a range of socio-economic backgrounds to better understand their needs, interests and challenges in relation to utilities now and in the future (see page 8).

## Partnerships driving innovation

We are always looking for new and better ways to deliver our services and manage our network and we know that collaboration with key partners in our supply chain, industry and beyond strengthens how we do this in the most effective, efficient and innovative ways. We have 25 established and new partners working with us on a range of technical, commercial and strategic innovation projects.

## Strategic partners

**NISSAN ENERGY**  
**NUVVE**  
**NEWCASTLE UNIVERSITY**  
**NORTHERN GAS NETWORKS**  
**YORKSHIRE WATER**  
**NORTHUMBRIAN WATER**  
**ENERGY INNOVATION CENTRE**  
**NATIONAL CENTRE FOR ENERGY SYSTEMS**  
**MOIXA ENERGISE BARNSELY**

NEW

CASE STUDY

## Nissan Energy – industry-leading innovation



This year we established our industry-leading innovation partnership with Nissan, formalised in a new Memorandum of Understanding. We are working together to explore a range of innovation projects over the next six years looking at how electric vehicles (EV), batteries and other technologies can support energy networks. We are establishing a range of projects, the first in partnership with NEA and Nissan to look at developing battery storage solutions for medically dependent customers, trialling solutions for giving them the vital security of an uninterrupted supply of energy. The project is looking to deploy second life (electric-vehicle) batteries into properties where residents have additional electrical needs directly related to the operation of critical medical equipment to maintain health. This will provide back-up and improve resilience.

# Delivering meaningful engagement

We use a range of open channels to deliver tailored engagement, providing a multi-layered approach to achieve maximum involvement, input and good quality outcomes.

## A range of tailored channels

We challenge ourselves to make our engagement as accessible as it can be for as wide a group of stakeholders as possible, mindful of their time. We use a range of channels to facilitate this (see below).

### Face-to-Face



#### Events

- Meetings
- Workshops
- Conferences
- Community Events

#### Expert panels

Stakeholder panel and social issues and DSO expert groups

**500+**

People engaged

**46**

Members

**12**

Meetings per year

### Digital



**600**

webinar views

**95%**

webinar satisfaction

**over 100**

stakeholders accessing incident data

### Social Media



**9,297**  
Facebook followers



**66%**  
increase from 2017



**19,934**  
Twitter followers



**+ 23%**  
increase from 2017



**6,395**  
LinkedIn followers



**+ 46%**  
increase from 2017

### Newsletters and updates



**2,800+**

Recipients

### Areas of Research



**15,000+ engaged**

- Customer satisfaction
- PSR satisfaction
- Stakeholder satisfaction
- Priorities
- Willingness to pay
- Future consumers
- Electrical losses
- Risk
- Unplanned powercuts
- Flooding
- Hard to reach – rural safety

### Online community

**1,706**

Active members discussed **30** topics



## We have introduced new channels and improved a number of our existing engagement channels in 2017/18:

- ▶ We have established our DSO panel drawn from technical experts and industry stakeholders. Following our nationwide launch events, the group will support the development of this important and complex transition (see Part 2 page 8).
- ▶ Our stakeholder panel and expert groups have been expanded to reflect current stakeholder maps and priorities – new members include the NHS, on social issues, and other utilities on the stakeholder panel.

- ▶ Our stakeholder panel are setting the agenda – they agreed the 2018 priorities at our January meeting and a topics calendar for the year to support the development of these. They also now have a regular slot to discuss and input to industry consultations and policy issues.
- ▶ Focused research and understanding: we have increased our research programme around specific issues including research on losses, risk, unplanned power cuts and future consumers.

**NEW** We have established an on-line community for stakeholders with a particular interest in our approach to electrical losses. This was introduced in response to stakeholder feedback given through research, our stakeholder panel and DSO events.

**NEW**

We have introduced regular consumer focus groups to test service and communications improvements – this year they have informed our PSR communications, our smart metering literature and our annual stakeholder report.

**NEW**

Engagement reach and accessibility: we have begun to use webinars and webcasts to make our engagement more accessible, particularly to the time poor – to date over 600 people have watched or participated in webinars covering DSO transition, demand and supply heat maps and Active Network Management.

## CASE STUDY

### Accessible and transparent reporting



#### Feedback and insight

For our stakeholders and customers outside of the industry, our business and how we are performing can be difficult to understand. We are committed to making our reporting more transparent and accessible for different audiences.

#### What we did

- ▶ We developed an online, interactive version of our Incentive for Connections Engagement (ICE) work plan that gives our connections stakeholders a real-time view of the status of our service improvement commitments and links to key action outputs and deliverables.
- ▶ We now publish two tailored versions of our annual stakeholder report; one for the regulator and those looking for more detailed reporting, and a more widely accessible version. Following stakeholder and customer feedback we expanded the report so that, in addition to reporting our performance against targets, we have included our relative ranking position among the other distribution network operators performance trends, the financial incentive rewards/penalties we have earned/incurred along with the impact of those incentives on an average domestic customer bill.

#### The outcomes and benefits

- ▶ Our commitments, planned outcomes and performance measures are clearly visible to Ofgem and our stakeholders.
- ▶ The status of each work plan action can be seen in real-time so stakeholders can filter the level of detail and actions applicable to them.
- ▶ The ICE work plan is fully compatible with smart phones and tablets so that the latest information is always at our stakeholders' fingertips.
- ▶ Our annual performance can be assessed by more of our customers and wider stakeholders and contextualised to relevant industry performance.
- ▶ Helping consumer representative groups to understand the industry and compare our performance.

## CASE STUDY

### Stakeholder feedback driving engagement



#### Feedback and insight

In September, Impact Utilities reported back on a piece of broad stakeholder satisfaction research highlighting a feeling of frustration with DNO and gas distribution network (GDN) engagement and the intent behind it.

“DNOs are listening with an agenda, meaning engagement is mostly self-serving with stakeholders being denied the opportunity to input into the agenda.”

“Stakeholders would prefer a more longitudinal approach, an on-going dialogue which helps build familiarity, trust and satisfaction.”

#### What we did

- ▶ We have reviewed our engagement channels for the coming year and enhanced them with new activities to address this.
- ▶ We have established our DSO expert panel to support development of our transition to DSO in the longer term.

- ▶ Before conducting our priorities research we are holding six business planning round table meetings on key or emerging issues that we are tackling and that are of particular interest to stakeholders. These are open discussions, led by our Executive Directors, where we share our thinking but more importantly we listen to our stakeholders' thoughts and ideas to inform our business plans.

#### Outcomes and benefits

Early engagement allows for co-creation, influencing strategic issues, not just optionality on programmes which are already underway.

## Engaging the hard to reach – tailored and targeted approach

Some of our most important stakeholders are the hardest to reach. We therefore take different approaches to identifying, reaching, and engaging and supporting the hard to reach, dependent on their particular needs and the outcome we are trying to achieve.

Hard to reach stakeholders can be challenged due to experiencing a specific vulnerability, a low level of understanding, awareness or interest in issues impacting them or a lack of capacity or capability to engage through the channels available.

A lot of our hard to reach engagement is delivered through partnerships, particularly for vulnerable customers (see Part 3 page 5). Overleaf are some examples of the ways we have tailored our engagement to target specific hard to reach groups.

Some examples of how this is working in action this year are:

## CASE STUDY

### Listening to future consumers

Future customer concerns are centred around 'security' – their own financial stability as well as Britain's



#### Feedback and insight

- ▶ Over 1 million young people living in our regions.
- ▶ 13.3% of people in the North East not in education, employment or training.
- ▶ All utilities are engaging to gather feedback to inform new business plans for regulatory scrutiny between 2019 and 2023.
- ▶ We are making investment decisions now that will impact customers for the next 20

to 40 years – we need to understand the views of those future consumers.

#### What we did

We commissioned independent researchers to deliver focus groups with 40 future consumers/young people across a broad socio-demographic mix to better understand their needs, interests and challenges in relation to utilities now and in the future. This will be run quarterly to ensure that we are keeping track of any changes and can spot areas to make improvements in our methods or with particular stakeholder groups.

#### The outcomes and benefits

- ▶ Established group to continue to engage throughout our business planning cycle.
- ▶ Better understanding of how to engage future consumers and their key areas of interest:
  - Their priorities are centred around 'what

is best for me' rather than a wider appreciation of broader priorities such as environmental issues

- Future consumers prioritise safety, affordability and elements of service that have a direct impact upon them – underpinned by innovation
- Consumers expect little contact from utility providers other than dealing with problems quickly and efficiently but they are open to hearing more, e.g. energy saving tips.

*"NPG continues to look for new ways to engage with 'hard to reach' groups, including the use of intermediaries who are known in their sector to identify and reach new groups. The research into views of Future Customers is a good example of looking at a new but important group of stakeholders."*

SGS AA1000 Stakeholder Audit – May 2017

## CASE STUDY

### Supporting vulnerable, rural communities



#### Feedback and insight

Community Action Northumberland support communities in rural areas in the North East. Their network of 20 Warm Hub centres means they can support many of the regions most vulnerable people through offering a safe, warm and friendly environment to meet. They find that people are more open to discussing

debt, energy efficiency and other advice in these forums.

#### What we did

Through our Community Energy Seed funding:

- ▶ Delivered fuel poverty and energy training for a network of 36 Energy Agent volunteers who now regularly cascade energy information to around 1,000 people a month through Warm Hubs.
- ▶ Hosted 6 Energy Roadshows – helping people to check what tariff they're on, to ask for a smart meter and to go on the Priority Service Register.
- ▶ Created a magazine with energy advice for around 2,500 people to help them access information on an on-going basis.

#### The outcomes

The funding has made a positive impact on many people's lives. For example:

- ▶ A 92-year-old blind woman came to a Warm Hub – her boiler had stopped working and one of the Warm Hub Energy Agent volunteers discovered that she didn't have any heat or hot water in her home. Thanks to advice, the lady was able to have a heavily subsidised boiler and a radiator fitted in her kitchen.
- ▶ A man with cancer, who lives in a very isolated village, had no central heating and unreliable hot water that leaked badly. He had around £6,000 of fuel debt. CAN's new Energy Agents were able to get this written off completely, have a new central heating system fitted and the damp repaired.

## CASE STUDY

### Focusing on health



#### Feedback and insight

- ▶ 1.66 million households in our region with health and mental health indicators – 11.8% higher than the national average.
- ▶ We currently have 21% of people with potential health issues (identified through social indicator data) on our PSR.

#### What we did

Following the attendance of NHS England at one of our community events, discussions were held to try to embed PSR referrals into health and mental health support processes. As each individual NHS hospital trust operates as a separate organisation, there is no single route that PSR can link into, so we jointly decided to hold a Supporting Vulnerable People event on 6th March 2018, where we could outline the Priority Service Register and associated services to encourage each organisation to help us identify and refer the people who need our help the most. NHS England hosted the workshop, and we ensured all the utilities from gas, water and electricity attended to jointly present to 73 attendees from Emergency Services, Housing Associations, Local Authorities (Social Care and Emergency Planning) and NHS Trusts (inpatient, community and emergency planning).

#### The outcomes

- ▶ Feedback from this event, and our community events, informed our first digital campaign specifically targeted at individuals experiencing physical or mental health issues in an engaging and sensitive way. The campaign will start in May 2018 and we look forward to reporting the results next year.
- ▶ NHS England now attend our Social Issues Expert Group as a core member.
- ▶ We now have a number of key contacts from each represented group actively promoting the PSR; two NHS hospital trusts have initiated steps to include PSR referrals in their inpatient discharge processes and discussions are underway with several more.
- ▶ We are working with NHS England to develop a replicable model to embed PSR registration into hospital discharge processes and community services assessments.

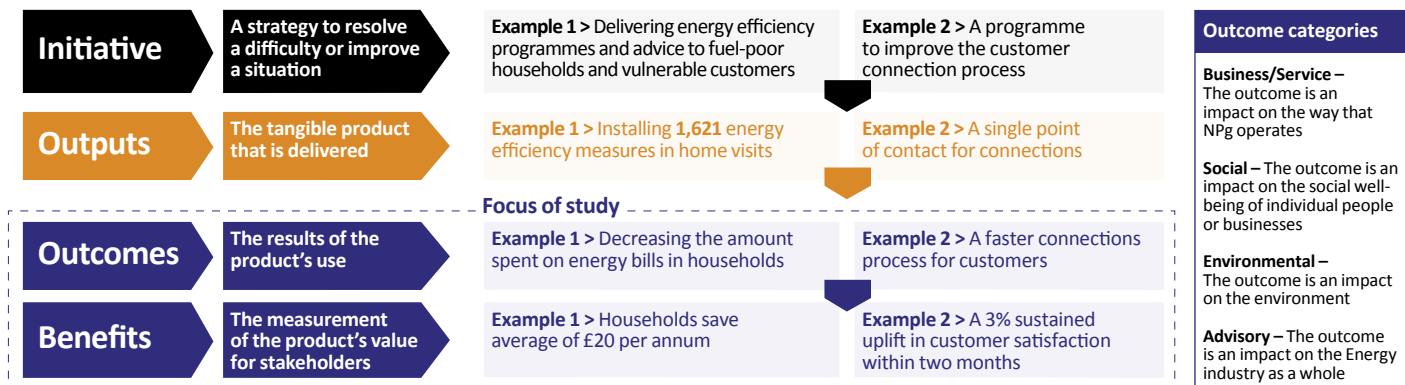
To ensure we are delivering the right benefits for our stakeholders and customers we are always looking at ways to better measure our impact, learn from best practice and improve.

## Measuring impact

Across the business we have strong metrics, measures and reporting in place to assess our performance against plans. Often these measures assess what is important to the business but may not necessarily capture what our stakeholders value. Working with business leads we have created processes measuring the outcomes that our stakeholders value. Resetting plans and the reporting to align with agreed outcomes is a key development being undertaken.

*“NPG evaluates the tools used for engaging with stakeholders to ensure they are appropriate, timely and provide the stakeholders the opportunity to feedback in an easy manner. The Stakeholder Engagement Strategy includes both internal and external measures to demonstrate action on feedback from stakeholders.”*

SGS AA1000 Stakeholder Audit – May 2017



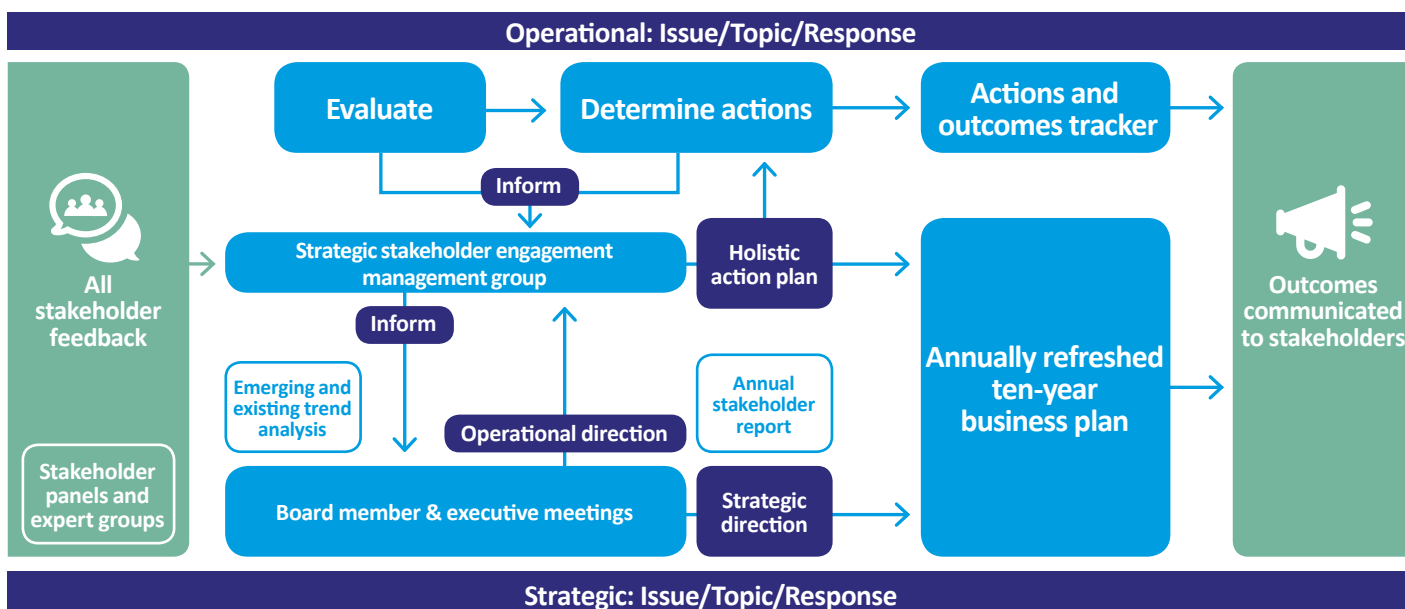
This approach (above) sets out our end to end process and identifies types of benefits including; indirect financial and non-financial examples and offers a template (see example on the right) to be completed before projects and initiatives are undertaken. This is helping us to report clearly the impacts as well as informing investment decision making in terms of what we invest in and where we move projects on to scale up or enhance following pilots.

Illustrated below is the template used to define the outcomes and benefits

Description of the initiative	Process stage	Financial information	
Detail in simple terms what the timeline is about, the reason for implementing it and its objectives. Provide high-level timeframe, potential partnerships identified.	1. Conceive and Prototype	<b>Costs</b> <b>£Value</b> NPG's investment to implement the initiative	<b>Benefits</b>  Estimated or realised financial benefits for the stakeholders  Estimated or realised non-financial benefits
	2. Start Up		
	3. Scale Up		
	4. Embed		
	5. Enhance		
<b>Outputs</b>  Output #1	<b>Reported outcomes</b> <b>Social outcome:</b> Description of a social outcome as a result of the output.	<b>Reported benefits</b> <b>Quantified benefit:</b> Definition of the indicator used to measure the impact of the outcome as well as its value.	
	<b>Environmental outcome:</b> Description of a social outcome as a result of the output.	<b>Quantified benefit:</b> Definition of the indicator used to measure the impact of the outcome as well as its value.	

## Informed decision making

We have set out below our governance process for how stakeholder feedback informs decision making within the business.





## External assurance and learning

In order to ensure we are continually learning and improving we undertake a number of assurance and accreditation activities, helping us to do the right thing for our business and our stakeholders, learn from best practice and target our resources in the right places. We are proud to continue to achieve the following standards:



**BSI: Assessing our approach to Consumer Vulnerability** which ensures we are delivering comprehensive, quality services for our vulnerable customers.



**Action for Hearing Loss – Louder than words**  
We maintained our 'Louder than Words' charter, following a successful assessment by Action on Hearing Loss against their 10-point charter.



NEW

### UK'S top 50 companies for customer service

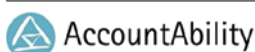
In 2017 we were the only electricity network operator to secure a place in the UK's 2017 Top 50 companies for customer service. Every year hundreds of companies from sectors including insurance, banking, energy, transport and retail enter the programme, which is designed to independently assess contact centre customer service standards.



NEW

### ISO27001 certification

In our business priorities focus groups the concern of holding customer data was raised and our stakeholders were seeking assurance of what we are doing to uphold our responsibilities and ensure we have the right levels of protection in place. In November, we were certified as ISO27001 compliant for operational technology and customer data, verifying our robust approach to data security and protection of our networks.



### AA1000 Stakeholder Engagement Standard

We are audited annually against the AA1000 standard. We act on the recommendations and good practice this process brings as we continually seek to improve our engagement.



We were successfully accredited against the ISO 55000 asset management standard which includes an assessment of our stakeholder engagement strategy.

## Meaningful engagement leading to clear, measurable benefits

The best measure of how successful our engagement has been is how it is translating into meaningful outcomes and benefits for

our stakeholders and customers. This year we have delivered or committed to **170** meaningful outcomes, many of these are highlighted in

more detail throughout the submission and in the summary table below.

Engagement summary	Number of outcomes	Example actions and outputs	Example outcomes and benefits
<b>Representative views setting priorities through open and targeted channels</b> Over 3,700 people engaged through channels including on-line community, priorities research, customer focus groups and awareness surveys. Over 10,000 through customer satisfaction surveys.	62	<ul style="list-style-type: none"> <li>▶ Live web-chat facility introduced – 95% satisfaction.</li> <li>▶ Flood resilience programme accelerated.</li> <li>▶ Education programme expanded and enhanced.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customers have a greater choice of channels to get in touch.</li> <li>▶ More resilient network meaning fewer power cuts for customers.</li> <li>▶ Over 23,500 children inspired into work and STEM subjects.</li> </ul>
<b>Issue specific, tailored and targeted engagement</b> Over 4,000 people engaged through issue-specific channels including PSR customer surveys, local energy events, community partner and health workshops, co-creation round tables and many more.  We also engage with hundreds of stakeholders every year through face-to-face meetings with Local Authorities, MPs, Local Economic Partnerships, Environment Agency etc. We also attend a number of key forums around resilience, fuel poverty and more.	74	<ul style="list-style-type: none"> <li>▶ Greater understanding of consumers' views on financial risk appetite.</li> <li>▶ Over 100 community and health partners referring customers to our PSR.</li> <li>▶ Enabling local infrastructure projects through innovative solutions.</li> <li>▶ 100 key stakeholders have direct access to incident data.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Consumers' views influencing our approach to pension funding and investment strategy.</li> <li>▶ Our vulnerable customers are supported by trusted professionals.</li> <li>▶ Cheaper, quicker, more efficient infrastructure connections, enabling economic development.</li> <li>▶ Stakeholders can access information when and how they want to support their own customers.</li> </ul>
<b>Expert panels – informing strategic direction and issues</b> We regularly engage with 46 issue experts through our own stakeholder, DSO, undergrounding and social panels. We also meet with over 40 experts through groups including the Northern Energy Taskforce and Infrastructure North.	24	<ul style="list-style-type: none"> <li>▶ Additional £2m to be invested in undergrounding overhead lines in AONB and National Parks.</li> <li>▶ Established Nissan Energy project looking at uninterrupted supply for those who are electrically, medically dependent (EMD).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reduced visual impact on our environment for customers living in or visiting our local parks and beauty spots.</li> <li>▶ Potential to lower risk of power interruptions for EMD customers in an affordable way.</li> </ul>
<b>Industry engagement, best practice and collaboration</b> We regularly attend over 25 industry working groups and panels as well as best practice sharing visits, events and meetings with industry colleagues including DNOs, GDNs, energy suppliers and government.	10	<ul style="list-style-type: none"> <li>▶ Smart Meter Customer Appointment Booking System introduced and increased headcount to deal with customer issues.</li> <li>▶ Local energy engagement events held with all DNOs.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Enabling smooth journey for customers when installing smart meters.</li> <li>▶ Better understanding and response to the needs of local energy stakeholders consistently across the country.</li> </ul>

*Part 2*

**Delivering meaningful outcomes  
for our stakeholders and customers**

**2017/18**



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## Part 2 – Delivering meaningful outcomes for our stakeholders and customers

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### 1 Introduction

2017/18 headlines  
2018/19 priorities

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### 2–5 Keeping and exceeding our promises

- 2–3 A safe and reliable service – stakeholders’ top priority
    - Delivering greater resilience for our customers
    - Collaborative solutions that support regional economic growth
    - Raising safety awareness to reduce incidents
  - 4 Engagement delivers environmental improvements
  - 4–5 Delivering an excellent customer experience
    - Faster, flexible and more accessible channels
    - Smarter working delivering customer service improvements
    - Smart meters – improving the customer experience
- 

### 6–7 Looking after our communities

- 6 Responding to local and community energy needs
    - Supporting local and community energy partners
    - Community energy seed fund builds local capacity
  - 7 Engaging young people on key issues through education
    - Affordability and energy efficiency – educating children and their families to keep energy costs under control
    - Leadership – playing our part in strengthening local communities
    - Safety – working with young people to help them understand the dangers of electricity
    - STEM and employability – inspiring future engineers
- 

### 8–10 Unlocking our energy future

Holistic engagement informing the transition to DSO

- Strategy informed by stakeholder feedback
- Scoping the future – pioneering research and learning
- Getting on with it – learning by doing
- Building new capability – future proofing our network





Our long-term success is dependent on delivering excellent services at fair prices to both our current customers and stakeholders and those of the future. This section of our submission is packed with real examples of how partnerships and real dialogue have produced outstanding solutions for our customers and stakeholders.

We constantly challenge our teams to make sure that every engagement is, and can be

shown to be, effective. We measure this against our stakeholders' standards as well as our own, defining the outcomes, improvements and benefits that they want to see delivered in a cost-effective way. From keeping our promises to keep the lights on and deliver more for less, to informing our long-term plans, I am proud that we have delivered 170 significant outcomes for our customers and stakeholders this year.

In this document, we only have space to illustrate the work being undertaken rather than provide a full report of all that is being done. Nonetheless, examples have been drawn from across the different areas of day-to-day delivery as well as the innovative work that will unlock our energy future.

Within this, our contribution to improving educational outcomes in our region is a professional and personal priority of mine

because education is a key contributor to a strong economy. I am proud of the expansion of our education programme beyond safety to include STEM, employability, energy efficiency and much more. A business like Northern Powergrid has the intellectual resources and the delivery capability to make a positive impact in our region. This year I have personally led on our involvement with Academy Ambassadors, which spearheads our emphasis on engaging our senior leaders around this key societal issue.

**Phil Jones**  
President and CEO

## 2017/18 highlights

**85%**

of stakeholders feel better informed about the issues influencing DSO transition

**86.4%**

Customer satisfaction in 2017/18 – our highest score to date

**£500m**

potential savings for customers by 2031 through investment in smart enabling technology

**£2m**

additional investment in undergrounding cables

**45,175**

children reached through education programmes

## 2018/19 priorities

**Comprehensive community engagement enabling our tower block improvement programme**

**Inclusive engagement supporting the launch of our customer-led DSO Development Plan**

**Stakeholders actively involved in early co-creation of our priorities in readiness for RIIO 2**

**NEW**

To support our customers' interests, we have played a core role in 'The Northern Energy Taskforce' since it was created in Summer 2016. The Strategy includes proposals to create a regional energy economy by 2050, worth £15 billion a year, that provides affordable, clean energy and supports 100,000 green jobs.

The future transition to smart, cost-effective, low-carbon energy offers huge opportunities for the country's economy and to improve people's lives. We believe the North is well-placed to be at forefront of this change.

The taskforce, chaired by Sir John Harman, includes representatives with expertise across infrastructure, engineering, finance, academia and local government including our CEO, Phil Jones. The group has developed a number of reports informing regional and national thinking culminating in the

publication of *A Northern Energy Strategy* report in October 2017. This sets out the significant opportunity that the changing energy sector presents for the North of England to drive economic growth, take advantage of opportunities post-Brexit and enhance the wellbeing of its residents.

### **This collaboration with a group of Northern stakeholders provided:**

- ▶ **Energy system thinking** – ensuring that our actions are delivering on wider stakeholder needs and are coordinated for maximum impact.
- ▶ **Evidence to fill a gap** – this was the first independent detailed research to inform a blueprint for energy matters as part of the regional devolution agenda in the North.
- ▶ **A platform for other initiatives** – our 'unlocking energy futures' programme and whole energy system collaborations with Northern Gas Networks and Nissan were informed by this stakeholder-led policy landscape project.

### **Northern Energy Strategy engagement**

**Six**

stakeholder workshops across the North of England.

**50+**

separate meetings with industry stakeholders.

A series of seminars with government officials, Local Enterprise Partnerships and combined authorities.

**100+**

stakeholders at the launch.

### **100+ industry stakeholders**

attended the launch in October 2017. They welcomed its recommendations and an action plan is progressing including a Parliamentary reception with all Northern MPs with an interest in energy to discuss next steps and implications for policy.

**Keeping our promise to deliver more for less underpins everything we do across our business. From our annual engagement and research we know that our stakeholders' priorities remain consistent with a safe and reliable service, managing our environmental impact and consistently delivering great service for our customers.**

## A safe and reliable service – our stakeholders' top priority

### Feedback and insight

- ▶ Delivering a safe and reliable service remains at the top of the list of our stakeholders' priorities, consistently ranking in the top four since 2013. Our stakeholders believe we should prioritise investment that improves emergency resilience, to maintain a reliable and sustainable network.

#### Priorities research 2017

Through engagement with rural and agricultural stakeholders we found that:

- ▶ 88% of the farmers we surveyed had not heard of the '105' number.
- ▶ 72% still did not know the legal minimum height of power lines crossing farms/farm land.

#### Agricultural shows 2017

### What we did

- ▶ Ensuring our communities and network are resilient is something we are always striving to improve. This year we have accelerated our flood defence work, improved stakeholder access to critical resilience information and supported regional infrastructure initiatives.
- ▶ We have reviewed our safety programmes to gain greater insight into where we should be concentrating our efforts, strengthening our safety programme, broadening its impact, sharpening the safety messages and using a greater blend of channels – face to face, letter, email and social media.

### The results

**46**  
sites upgraded to be resilient to flooding

**80%**  
year-on-year reduction in number of incidents of HGVs striking overhead lines

**Over 100**  
stakeholders have direct access to critical real-time incident information

**Cheaper,**  
quicker, more efficient infrastructure connections

**55%**  
reduction in contacts by farm vehicles and lorries with overhead lines over the last 3 years

NEW

### Effective engagement underpinning a more resilient network for the future

Through listening to our stakeholders, we understand the important role a safe, reliable power network has in supporting communities and encouraging economic growth. Through close engagement throughout project consultation and delivery we are often

able to find cheaper, quicker and innovative solutions whilst keeping stakeholders up to date with key developments. This includes major infrastructure projects such as the work we are doing to support HS2 and their partners in the delivery of their 2019

HS2 Hybrid Bill, through to the smaller but just as important infrastructure projects that support our local communities and their needs. Some examples are shown below.

#### Early Engagement – Leeds Enterprise Zone

We have been engaging closely with Leeds City Council and the Leeds City Area Local Enterprise Partnership (LEP) since 2014 around their future development plans. This year has seen this engagement really benefit proposed schemes in East Leeds. Through education and understanding of each other's plans and capabilities, we have been able to design the required works to deliver them at almost half of the cost and time of the proposals that were initially envisaged.

#### Partnership working to overcome challenges – Gateshead swing bridge

We have been working closely with the Port of Tyne and English Heritage on a plan to keep this historically significant site safe and operational. The power solution has been a challenge as we had to contend with a 150ft cable drop and strong river currents preventing underground solutions. Through our discussions with their teams we have developed the option of a battery storage device to be charged from a micro water turbine generator submerged in the river. The Port of Tyne are really enthused at the possibility of utilising cutting-edge green technology to power this ancient bridge.

#### Innovating – Energising the Rotherham Tram

We are supporting the first scheme in the country for trams to use the rail line in Rotherham. The scheme, which has learning for other cities, has been closely monitored by a Parliamentary Select Committee and Chris Grayling, the Secretary of State for Transport. Each day, our work has been reviewed with photos taken and uploaded to a WhatsApp group for the MPs to keep up to date with progress and monitor our approach.

#### Nexus – North East Metro – Original thinking to keep passengers moving

To ensure a reliable service for over 40 million passengers a year, the switchgear at ten of the Newcastle Metro stations need replacing over the next year. Through extensive engagement with Nexus we have been able to find a solution using new technology which is cheaper and easier to both install and use than previous solutions. We will be trialling this in 2018 with a plan to roll out our works in coordination with Nexus replacing some of their own ageing equipment, to minimise disruption to passengers using this key service for business, daily commutes and leisure.

### Outcomes and benefits

- ▶ **National best practice for MP engagement**  
as tram projects are initiated across the country.
- ▶ **Cheaper, quicker, more efficient infrastructure connections**  
– by up to **50%** in East Leeds.
- ▶ **Keeping 40 million passengers moving in the North East**  
– keeping customer costs down and minimising disruption.
- ▶ **Over 9,500 new jobs**  
by 2025 could be delivered through Leeds Enterprise Zone – enabling economic development.

## Delivering greater resilience for our customers

Our investment programme serves to increase resilience not just for our network, but for the communities and businesses we serve.

We invest to protect our assets whilst engaging with communities and individuals to improve their own resilience and preparedness for future weather events.

### Approach

#### SCALED UP

#### Delivering critical flood defences

In 2017/18 we delivered flood defences at 46 sites, beating our annual target of 42. Our programme is accelerating and we are expecting to exceed our business plan target of defending 141 sites in the current regulatory period.

Many areas have experienced economic hardship through the impact of flooding and its aftermath. We are ensuring that

we sensitively manage our impact on tourism and commerce in those areas that are still in recovery.

Since Storm Eva we have been active members of the Calderdale Flood Group, helping us to understand when best to conduct our flood defence investment work whilst minimising the impact on local communities. Part of this community involvement included supporting natural flood defence volunteering.

#### Engaged and informed stakeholders

Access to up-to-date, relevant information to support a major incident is critical for our work with our resilience partners and stakeholders. Following stakeholder feedback, our improved stakeholder information portal currently has over 100 users including Local Authorities, NHS, Citizens Advice, Fire Services, Telecoms, Police authorities, Housing Authorities and Highways Agencies.

Incident response is improved as partners can use information to support local response and prioritisation, e.g. emergency services, health and more.

The portal allows users to:

- Identify all multiple premises unplanned and planned faults in one place, enabling filtering by duration and type of fault.
- Identify customers by Local Authority and Police boundary.
- Identify all postcodes affected by a fault by either seeing them as a pin on the map or in a list and as part of our investment plans.
- Identify health & social care locations (developed with NHS England) including GPs, hospitals, nursing homes, residential homes and community health.

### Outcomes and benefits

- **Fewer customer power cut interruptions** and greater resilience as fewer assets are susceptible to flooding.
- **Least disruption to trade and tourism** through working in partnership with key agencies and consulting with the community as to when work should take place.
- **580 trees planted** as part of natural flood defences.

*"The Northern Powergrid Mapping of power cuts system is used by Gateshead Council to provide quick and easily accessible information with regard to residents most vulnerable to a loss of electrical power. This is a tool that supports the excellent working arrangements between the Council and Northern Powergrid, who are working to strengthen the system further from joint learning experiences."*

**David Patterson, Gateshead Council, Resilience & Emergency Planning Manager**

## Raising safety awareness to reduce incidents

This year we have evolved and further tailored our safety education engagement, messaging and campaigns. We've also joined with other DNOs and the Energy Networks Association to share our own safety

campaign learning, and to deliver consistent and impactful campaigns to some of the hard to reach groups who are most vulnerable to safety incidents such as farmers, and more recently hauliers.

#### SCALED UP

#### CASE STUDY

### Look up Stay Safe



Building on our 2016/17 "Look up Stay Safe" campaign the joint DNO campaign "Look Out, Look Up!" was launched in January. The campaign, delivered through social media, press and regional road haulier safety events, encouraged people including farmers, hauliers and the general public to plan ahead to avoid contact with overhead

power lines and to know what to do if contact is made with a line.

- **80% of hauliers have been reached through the campaign.**
- **150 safety advice leaflet downloads.**
- **428 safety cab stickers and safety messaged air fresheners ordered for use on farms.**

### Approach

As part of Farm Safety Week and throughout the year we promoted safety messages in Yorkshire Post Country Week, Farmers Guardian, NFU newsletter and a Twitter campaign.

#### NEW

Following stakeholder feedback, safety messages now on the back of all our Wayleaves letters

#### NEW

Safety induction on the syllabus now at agricultural colleges

Reached rural hard-to-reach communities through targeted attendance at five agricultural shows

### Reach

**25,000+**  
readership

**c.18,000**  
stakeholders annually

**200**  
young farmers reached

**260,500**  
footfall

### Outcomes and benefits

- **55% reduction in contacts by farm vehicles and lorries with overhead lines over the last three years.**
- **80% year-on-year reduction in number of incidents of HGVs striking overhead lines.**
- **Hard-to-reach rural communities** reached through trusted partners, informed on safety and engaged to inform future communications priorities.
- **Award for impact** – Yorkshire Show Trade Stand.
- **Educating Young Farmers** – to be our safety champions.



## Engagement and innovation delivering sustainable environmental improvements

### Feedback and insight

Our stakeholders tell us that they want us to avoid disruption to local environments and minimise our environmental impact including:

- ▶ Better reinstatement of land.
- ▶ Promotion of 'green' energy sources.
- ▶ Undergrounding of overhead lines in areas of outstanding natural beauty.

*Stakeholder priorities research and day-to-day stakeholder engagement*

### What we did

▶ We recognise the wider role and the impact our activity can have in the communities where our customers live and work because we live and work there too. We are always looking for new ways to reduce our impact on our communities and the environment. This year has seen us trialling new technologies and working closely with stakeholders to make this happen, including new and ambitious targets for fluid loss and scaling up our undergrounding programme.

### The results

**£2 million** further investment in 20km undergrounding

**14** weeks less on site, in communities where we are installing a new primary substation

**£2.6 billion**

tourism economy supported within Areas of Outstanding Natural Beauty and National Parks

We take the environmental impact our activities can have on our communities very seriously. Working with our partners and

stakeholders, we are continually looking for further ways we can reduce our carbon footprint, improve our environmental

practices and minimise the impact we have. This year has seen further examples of how we are innovating in this area:

### Approach

#### Supporting our region's landscape

Our Areas of Outstanding Natural Beauty and National Parks stakeholder group has reinforced the importance of undergrounding work to the communities who live there and for tourism. It's our priority too; we are expecting to complete our commitment to underground 100km in National Parks and Areas of Outstanding Natural Beauty (AONB) two years earlier than planned (2020/21 rather than 2022/23).

We have committed to an additional 20km of undergrounding in the ED1 period, equating to a further £2m investment. Our stakeholders have asked if this funding can be used for undergrounding new connections as well as undergrounding of existing overhead lines; we are currently discussing this opportunity with Ofgem on behalf of our stakeholders.

### Outcomes and benefits

- ▶ **Improved visual amenity** supporting regional tourism and economic development (tourism worth £2.6 billion per year).
- ▶ **National policy discussions** on behalf of our stakeholders with Ofgem.
- ▶ **Additional £2m investment** for 20km further undergrounding.

#### Exploiting the use of naturally occurring, environmentally friendly resins to reduce fluid loss from our 1,000km of Extra High Voltage fluid-filled cables

Our stakeholder panel fully supports our intention to reduce fluid loss by 60% by 2023, an increase from our original business plan target of 15%. Through our investment in new technologies such as perfluorocarbon (PFT) leak detection and the benefits from our innovative, self-healing cable additive trial to reduce fluid loss, we will further improve our environmental performance. This will improve network performance, create cost efficiencies and reduce the impacts of cable fluid loss – in turn, improving our environmental impact. We believe this trial will be a key area for us to share best practice with other DNOs.

- ▶ **60% reduction in fluid loss** targeted by 2023.
- ▶ **Speeding up leak detection** to further reduce our environmental impact.
- ▶ **Helping all DNOs to reduce environmental impact** – sharing learning from self-healing cable trial.

#### Reduce the impact of our work on the communities we serve

This year we trialled a new way of replacing our primary switch rooms. Previously our teams would be on site building switch rooms from scratch for around 16 weeks however, we trialled building the rooms in a factory and then transporting the ready-made kit to site. This reduces the time taken to around 2 weeks, meaning less impact on our customers and safer as work is conducted in a controlled environment. We're now rolling this approach out more widely (7 substations a year).

- ▶ **14 weeks less on site** – minimising disruption to customers.
- ▶ **Minimising safety risk**
- ▶ **Est £700,000 savings** to enable further investment in network reliability.

## Delivering an excellent customer experience

### Feedback and insight

We use customer research, stakeholder feedback on their service priorities, customer listening groups and the voice of the customer to make sure we continually monitor what is important to our customers. This year, they told us:

- ▶ Make it as easy as possible for us to get in touch with you.
- ▶ Provide access to a wide range of contact channels – including web chat capability.

*Stakeholder priorities research and customer feedback*

### What we did

▶ We've been working on turning our contact centre from being primarily inbound to primarily outbound. We've invested heavily in digital technology offering new and improved channels of communication, implementing a model that puts customers in control in terms of how they want to communicate with us. We have successfully collaborated with industry stakeholders to smooth the smart meter roll-out and minimise costs.

### The results

**5,200** customer searches on our FAQs and self-learning knowledge base

**97%** customer satisfaction with new live web chat

**Enabling** new streamlined service for smart meter appointments

**42** new colleagues improving services for all customers

NEW

## Faster, flexible and more accessible channels

We have improved our communication channels and the accessibility and speed of the service we offer. We have used customer feedback to improve our Interactive Voice Response (IVR) to deliver a speedier process. Aligning our tone of voice across all our digital platforms has overcome the challenge

of ensuring that if our customers experience a power cut, they get the same great service, no matter which channel they choose to use.

In response to customer feedback, our new CRM system developments have enabled us to launch our proactive web chat channel and we also

switched on our dynamic information library supporting customer self-service help and guidance. 112 customers have used web-chat since its launch in November and we had nearly 5,200 searches on our knowledge base that have enabled our customers to self-serve when it suits them.

## Outcomes and benefits

- **5,200 customers self-serving** through new searches on our FAQs and self-learning knowledge base.
- **97% customer satisfaction** with new live web chat.
- **86.7% satisfaction** with digital channels, an increase of 1.6%.
- **An improvement of 3.3%** in customer satisfaction with our digital IVR service following these changes.

NEW

## Smarter working delivering customer service improvements

This year, our stakeholder panel highlighted the importance of effectively preparing for the smart meter roll-out and thinking through the support our customers will need. We know that many of our customers now and in the future will prefer to speak to us directly, so we have reviewed our Contact Centre resourcing for the better, to meet customer demand, as the smart meter roll-out gathers pace.

- We increased our team by 42 colleagues (full-time equivalent) to provide better service levels to our customers.

- We have also invested circa 6,000 hours in 12 months in coaching for excellent performance in our team, including our new Quality Framework – developed in response to voice of the customer feedback around the consistency of service delivery and the provision of accurate and timely information. The Framework focuses on providing polite, friendly and helpful service. Colleagues have a minimum of four coaching activities each month, supporting them to deliver great service, and they are clearly recognised for their performance through our reward and recognition scheme.

Our stakeholders and customers told us that when they experience a power cut, having a full picture was very important to them to plan effectively. Responding to this, our CRM enhancements this year have created a single portal that brings together all power cut information for our advisors, enabling them to relay this comprehensive picture to our customers swiftly.

Our customers now benefit from their own self-service online portal which learns dynamically from what other customers view. It enables customers to provide us with immediate feedback, helping us improve the quality of online answers for the benefit of all our customers.

## Outcomes and benefits

- **19% reduction in complaint volumes** and improved speed of resolution.
- **86.4% overall customer satisfaction.**
- **50% improvement** in the speed of answering calls.
- **Future-proofing** our contact centre to meet our customers' needs now and in the future.

NEW

## Smart meters – improving the customer experience

We have successfully collaborated with industry stakeholders to smooth the smart meter roll-out and minimise costs. Our direct engagement with the top 10 energy suppliers in our region as well as some of the smaller suppliers has improved best practice sharing and communications. Through the year, monthly meetings with suppliers helped us to see how our defect rectification work can best be coordinated with their meter installation programmes. This led to the launch of our customer appointment booking system

(CABS) and changes to the industry categorisation of defects. Customers benefit from both of these through lower hassle and reduced costs from fewer appointments to fix their issues.

Our booking system enables a smart meter installation agent to access our online system to agree a time and date with us and our customers to fix any faults on our equipment that may be preventing a smart meter from being fitted. Our proactive leadership engagement in the Meter Operator industry working group has helped to avoid abortive visits through better definition of defects and communication across parties.

To realise the benefits from smart meters for our customers, we have built and commissioned new IT systems and supporting processes. As there are 1.1m SMETS1 meters in our region and this will continue to increase, we have been exploring with industry stakeholders the potential to gain access to data from these meters so that we may deliver more efficient networks and improved operational response.

Our plans mean that we expect to gain access to data for around 10% of these meters for trials that could open the door to customer benefits including enhanced operational performance and network planning without the disruption or cost of changing meters prematurely.

## Outcomes and benefits

- **Enabling smart meter roll-out** and improved customer experience.
- **BEIS has become a strong advocate** of our customer appointment booking system.
- **Reduced the number of customer site visits** and associated costs through clarified defect reporting.

We know we have a wider role to play in supporting the communities we live and work in. Our stakeholders agree and have told us that education and local energy are two areas where they think we should focus our efforts.

## Responding to local and community energy needs

### Feedback and insight

Local energy remains an active issue in the industry in relation to longer term DSO transition plans. Reductions in government funding are impacting the ability of local community groups to successfully develop and deliver projects.

*Community Energy England, State of the Sector report 2017*

### What we did

We have been engaging community and local energy stakeholders since 2014 by focusing on supporting people with practical advice to access support. Whilst the local energy sector is going through a challenging time due to changes in funding we continue to support them through engagement, education, communication, funding and offering accessible services.

### The results

**2,722 people**

supported through 18 community energy projects since 2015

**Giving a voice**

Giving local energy stakeholders a voice at a national policy level

## Supporting local and community energy partners

The *Rough Guide to Engaging Communities in Energy Network Innovation* report published in early 2017 was compiled following two joint

national DNO events. The report offered a number of recommendations for DNOs. This reinforced our approach to local energy

engagement and support and helped inform our 2017/18 activity (see below).

### Recommendations

- ✓ Run national innovation events every year.
- ✓ Commission a thought leadership piece.
- ✓ Involve the private sector.
- ✓ Local engagement and continue working with local trusted intermediaries.
- ✓ Share good practice through multiple channels and share information in places communities already look for it.
- ✓ Update heat and constraint maps.
- ✓ Help people understand innovation through education.

### Our response

- ✓ Sponsored the *State of the Sector* Community Energy England report and Community Energy England awards.
- ✓ Part of the North East Community Energy Group, looking at new business and funding models. Joined the new Yorkshire Community Energy Group which is assessing its role in a zero carbon Yorkshire.
- ✓ Held a successful June 2017 event to explore the 'Local Supply of Electricity'. Bringing together local community energy groups, Local Authorities, academics and industry experts to discuss the challenges and opportunities.
- ✓ Regular connections workshops, webcasts, webinars, Twitter Q&As and a connecting innovative technologies workshop to support this.
- ✓ Meetings with 10 Local Authorities to discuss plans for development of city centre combined heat and power projects.
- ✓ Wrote on behalf of our stakeholder network, in response to the call for engagement on Ofgem's Research Hub – asking for local energy to be moved up the agenda.
- ✓ Supported Community Energy England to refresh and enhance the Community Energy Hub – the one stop shop for community energy best practice sharing and resources.
- ✓ Supported five projects through the third year of our Community Energy Seed Fund, reaching 565 beneficiaries with projects and published their case studies to share practice and learning (see below).

## Outcomes and benefits

### ► Increased

understanding of local energy challenges helping to inform our engagement and services.

### ► 7.2% increase

in visits to the Community Energy hub from our region; improving our access to community energy stakeholders to raise awareness of the support available.

### ► Support

for emerging community energy schemes, identifying potential future network demand early and supporting the delivery of some of our social priorities.

## Community Energy Seed Fund builds local capacity

The third successive year of our Community Energy Seed Fund saw us support five projects across our region. Full case studies have been published:

- **Energy matters** – tackling fuel poverty and educating local residents in Bradford about energy usage.
- **The Centre for Sustainable Living** set up an exhibition for sustainable energy and living at Meanwood Valley Urban Farm.
- **My Energy – My Life** – providing training and one-to-one energy-

related support to people with learning disabilities in Rotherham.

- **Chapeltown co-housing community energy** – providing energy advice to the co-housing development project in Leeds in relation to house designs and onsite energy generation.
- **Re-energising Middlesbrough** – supporting the sustainability of six community buildings by helping reduce energy use and advising on the use of renewable generation.

## Outcomes and benefits

### ► 18 projects

community energy projects supported since 2015.

### ► 565 people

reached with efficiency advice, switching and in-home measures. 2,777 since 2015.

### ► Sharing

best practice between communities by generating and publishing case studies from the entries to the fund resulted in 2,107 downloads from our website and additional publicity for entrants and their innovative ideas.



## Engaging young people on key issues through education

Fostering ambition and supporting a more aspirational generation for our industry and the communities we serve is a key priority for

our business. Our research clearly shows that education opportunities and standards are lower in our regions than the national average

and we believe we have a role to play in working in our communities to tackle this.

### Feedback and insight

- ▶ Within our regions, 24.5% of customers aged 16 year or older have no qualifications.
- ▶ 39.9% of the households we serve have no adults in employment and 17.9% have no working age adult in employment, education or training.
- ▶ Across energy and utilities, 36% of all vacancies are due to skills shortages.

### What we did

We have developed our comprehensive education programme in collaboration with stakeholders and partners. This year we have expanded our initiatives whilst making the most of every opportunity to raise awareness of our PSR services, encourage referrals, change behaviours and inspire young people.

### The results

**45,174**  
people reached  
through our  
education  
programmes

**£296,750**  
financial benefits  
for customers

**70**  
volunteers  
actively engaged  
in education  
programmes

**6,300**  
people reached  
through Energy  
Extra community  
outreach

## Affordability and energy efficiency – educating children and their families to keep energy costs under control

EMBEDDED

### Energy Heroes

**20** schools and **900** children reached  
This is the third year of our four-year Energy Heroes programme, targeting 100 schools in the most deprived areas in our region. We support year 5 students to look at energy efficiency measures, fuel poverty alleviation and the challenges of climate change and share learning with their parents, whilst improving their mathematics skills. It includes teacher training sessions, resource packs, an energy audit, up to six weeks in-school programme and a Community Energy Extra Event that enables students to share their learning with their families and friends.

### Outcomes and benefits

- ▶ **£296,750**  
Total financial benefits to customers from the affordability and energy efficiency programme scheme.
- ▶ **£14.13 per £1 spent**  
Cost benefits of scheme.
- ▶ **6,300 people reached**  
through Energy Extra proactive community outreach creating Energy Champions and Champion schools.

EMBEDDED

### Ahead Partnership – Make the Grade in Energy

**21** schools and **1,198** children reached  
Running since 2013, this initiative with schools in deprived areas helps to address the skills shortage within the energy sector from primary school to graduate level. It also focuses on addressing the industry gender gap and enables volunteering opportunities.

NEW

### Improving education resources

**5,173** resources downloaded  
Our new education website has been developed with our school partners. It has been piloted with seven schools and adapted to incorporate feedback from both pupils and teachers. Lesson plans, worksheets and many more resources are now available to schools.

## Leadership – playing our part in strengthening local communities

NEW

### Inspire governors and Academy Ambassadors

This year we are a partner on two Department of Education supported national programmes connecting skilled volunteers to partners to become governors and trustees in local schools. The programmes match volunteers and supports them through training and resources, helping them be effective members of governing boards.

*"I am a big believer in the positive impact that business is capable of having on the education landscape. But I also am sure that the benefit flows back very quickly – in terms of development opportunities for our own people and the sense of engagement that it creates."*

**Phil Jones** CEO speaking at National Academy Ambassadors development day

### Outcomes and benefits

- ▶ **97%**  
of students better understand the careers available in the STEM sector.
- ▶ **87%**  
of students had increased awareness of their aspirations and skills.

## Safety – working with young people to help them understand the dangers of electricity

SCALED UP

### School safety programme – 259 schools

and **32,723** children reached  
We expanded our school safety team with the training of six new part-time facilitators to increase our reach and maximise efficiency. The team delivers safety talks through school assemblies, Prison – 'Me No Way' and Crucial Crew programmes covering safety around electricity lines, our sites, street works and flood resilience as well as the dangers of metal theft.

NEW

### Scouts safety badge – 6,301 children

received badges and **175,000** potential reach through social media  
Our new national partnership with the National Scout Association has introduced the 'Home Safety Badge' for UK Cub Scouts aged eight to 10 and a half. The badge teaches children about safety around the home and encourages them to spread the lifesaving messages they have learnt, also thinking about the PSR and people who may need extra support during a power cut.

### Outcomes and benefits

- ▶ **32,723**  
children educated around electrical safety and the dangers of metal theft.
- ▶ **0**  
instances of safety incidents involving children.
- ▶ **Safety**  
Potential to roll out nationally with DNOs and GDNs following successful pilots of Cubs and Scouts safety badge.

We collaborate by seeking ideas from all corners of industry and our diverse customers to help set our direction for the transition to a Distribution System Operator (DSO) – so making our approach one that is truly customer-led.

## Feedback and insight

After keeping the lights on in an affordable and efficient way, innovation and the future are the next biggest priorities for our stakeholders.

### Stakeholder Priorities research

‘Our vision for the North of England is that by 2050 we will be the leading low-carbon energy region in the UK.’

*IPPR North, Northern Energy Taskforce*

## What we did

This year we have launched our DSO programme “Unlocking our energy future”, informed by engagement with stakeholders since the beginning of this price control period, around the future of our network. It sets out our approach to the transition to DSO along with how we’ll work with our stakeholders and customers to make this happen.

## The results

**90%**

of stakeholders want us to prioritise ‘customer flexibility’

**85%**

of stakeholders feel better informed about the issues influencing DSO

**£83m**

investment in ED1 in smart enabling technology, building the foundations for future services

## Holistic engagement informing the transition to DSO

2013 > 2017

Engaging stakeholders in understanding existing and future needs to inform changes to plans and initial DSO approach

Our initial DSO proposals are well informed by customer needs, giving us a strong starting position for coherent DSO engagement

2017 > onwards

Stakeholders to be engaged in developing DSO approach and offer, through early input and collaborating to develop solutions and a flexible approach

Our DSO transition plans are customer led in terms of direction, approach and timing and are flexible enough to adapt to the changing needs of our customers

Our aim is to create a sustainable and active dialogue with our diverse stakeholders and customers to enable them to effectively guide our decisions around this complex agenda, for us to understand their priorities and help us create a truly customer-led DSO approach.

We held three events, tailored for different audiences to ensure attendance from all corners of industry and other interested stakeholders. To increase reach we also used webcasting and webinar techniques.

Our launch events were held on the same day in London and later that day in Leeds. This enabled a much greater diversity of engagement. 82 colleagues from academia, DSO and industry, government, media and regulatory organisations attended our London launch which was targeted at national stakeholders. The Leeds event, with over 90 attendees, was hosted by the Institute of Electrical Engineers Association to encourage engagement from not only engineers, but importantly also students, graduates and energy specialists. Lastly, we held a regional launch

in York with around 60 regional stakeholders attending including new breakout sessions to allow more time for discussion.

### Expert advice and challenge

To guide our transition, our DSO Expert Advisory Group is now in place to provide expert advice, insight, skills and challenge to ensure our transition is robust, well thought through and meets the needs of all of our customers. Their role is strategic and includes:

#### 1 Critical friend

We start with a hypothesis that DNOs will be a big part of the transition to DSO. Does the evidence produced support this hypothesis?

#### 2 Quality

Are we asking the right questions? Is the evidence sufficiently strong to aid the changes required for DNOs and to inform policy?

#### 3 Clarity

Is the presentation clear? Are we providing clear messages on what are often complex matters?

This advisory group provides opportunities to both inform and disseminate information on the work we are also progressing in our Customer-led Distribution System (CLDS) innovation projects.

As a priority, we are exploring how our role will need to change in order best to serve our customers as they participate in new markets for network and energy services that support the energy industry.

## Outcomes and benefits

The expert advisory group challenged us to bring forward early programme deliverables and to quantify the benefits to customers of local energy markets. We have now triggered a quantification of the value from these markets in our Customer-led Distribution System project that will be included within our DSO development plan to be published later in the summer of 2018.

## Extending the reach of our engagement

NEW

In order to disseminate our DSO thinking and the work we are doing in our Smart Grid Enablers Programme as widely as possible, we have aligned our events with a series of press releases and media relations activities with coverage in industry publications but importantly

broadsheets and local radio, raising awareness and understanding to increase interest, inclusion and to encourage future engagement.

► From November 2017 to January 2018, we achieved **59** pieces of quality coverage across national, trade, broadcast and regional media.

► The campaign resulted in more than **2,000** social shares of coverage and more than a **quarter of a million** estimated coverage views (270,100). We also undertook 17 media interviews during the campaign.

To ensure we had the widest engagement reach possible for our DSO events, we went digital. Twenty people participated in our DSO webinar and the webcasts of our DSO event have been viewed by over 400 more people. To support active contributions – we asked stakeholders to submit questions beforehand for both the

webinar and event via Twitter and responded to those questions during and post event to ensure stakeholders were influencing the on-going discussion.

► **90%** of stakeholders feel better informed about the issues influencing DSO following engagement.

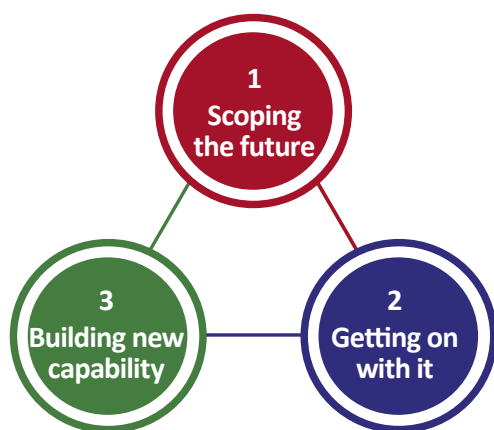
► **54%** of stakeholders supported our electrical losses approach and 39% wanted more information about losses, so we have developed a losses introductory animation and launched our losses online community.

► **86%** of stakeholders agreed with our DSO vision and direction of travel.

NEW

## Strategy informed by stakeholder feedback

Our DSO strategy, informed by stakeholder feedback, has three priorities:



**1**  
Solving the big open questions of market design and industry architecture

**2**  
Providing new infrastructure and processes

**3**  
Low regrets steps to demonstrate and learn

Engaging on DSO:

**65%**  
of attendees supported the DSO strategy.

**35%**  
of attendees still unsure/wanting clarification.



*"I thought it was a fantastic event. I thought the DSO vision was heading in the right direction. Any doubts are around the DSO taking too much role as an aggregator or providing flexibility services itself, but you are certainly looking at the right questions. I am very encouraged by you looking at EVs as an opportunity rather than a threat."*

**Helen Stack Centrica**

*"Great start to the thought process of what it is to be a DSO. Need to think about the different cost models to allow flexibility to be realised."*

**David Brown** Conor Energy

In addition to our overarching engagement around the programme we continue to engage our stakeholders, to support development and delivery of the three elements of our DSO strategy.

Attendees wanted us to prioritise enabling 'Customer Flexibility' as opposed to cutting costs by actively managing distributed resources. They want us to do this by creating

an efficient, flexible system, balancing supply and demand and accelerating the transition to a low-carbon energy system through developing smart services and infrastructure.

## 1. Scoping the future – pioneering research and learning

Through effective collaboration and co-creation, with our stakeholders, we currently have 16 innovation projects underway. A number of these are focused on supporting our

development of DSO, testing the practicalities and opportunities of electric vehicle and battery storage and much more. Many of these are funded under the Network Innovation

Allowance and as such, stakeholder engagement and effective collaboration is vital to the shaping, prioritisation, development and delivery of these projects.

### Initiative

SCALED UP

Building on our partnership last year with Nissan, Nuvve and Newcastle University installing one of the UK's first Vehicle-to-Grid (V2G) chargers, we are now a partner in the world's first, large-scale trial of V2G technology to help us learn about the relationship of EVs and batteries to support the future needs of our stakeholders and customers.

The **£9.8m** government-funded project, E4 Future, will be led by Nissan and involves experts from Newcastle University and Imperial College, London, Northern Powergrid, UK Power Networks and National Grid and V2G aggregator Nuvve.

The technology allows electric vehicles (EVs) to be fully integrated into the electricity grid. Private owners and businesses with large EV fleets will have the opportunity to create mobile energy hubs by integrating their vehicles into the grid. Connecting to the grid to charge the battery during low-demand, cheap tariff periods, drivers will have the option to then use the electricity stored in the vehicle's battery to feed back to the grid.

NEW

We are working with Northern Gas Networks, Newcastle University and the National Centre for Energy Systems on InTEGREL (Integrated Transport Electricity Gas Research Laboratory), the UK's first fully integrated energy systems research, development and demonstration site.

The **£30 million** site in Gateshead is an incubator for cutting-edge whole energy systems technology, allowing forward-thinking businesses to test their ideas in real-world conditions, and on a large scale, such as the decarbonisation of heat, energy storage and transport issues.

### Outcomes and benefits

- Improved grid capability to handle renewable power, making renewable sources even more widely integrated and affordable for our customers.
- Potential to generate additional revenue for EV owners.
- Supporting the UK government's aim for nearly all cars to be zero emission by 2050.
- Working to identify the most affordable and practical solutions to move customers onto low carbon, low cost energy.
- Ability to test for the first time how electricity and gas can work together across a whole energy system optimised around customers' needs.



## 2. Getting on with it – learning by doing

Where technologies exist and a ‘learning by doing’ approach is appropriate, we have been

keen to work collaboratively with other parts of industry to deliver benefits for customers today

that also unlock understanding to inform future projects and roll-outs our stakeholder value.

### Initiative

#### Building our battery storage understanding

We have teamed up with Moixa and Energise Barnsley in a ground-breaking trial to demonstrate how clusters of home batteries can increase capacity on the electricity network and enable more homes to install solar panels.

Smart batteries have been installed in **40** homes and linked in a virtual power plant in the first project to study how this solution can reduce peak solar output onto the electricity network when there is low local demand.

To disseminate the learning from this programme, an animation has been developed and can be accessed from [www.northernpowergrid.com/innovation](http://www.northernpowergrid.com/innovation)

### Outcomes and benefits

- ▶ Allow more homes to go solar without imposing new costs on network operators and therefore customers.
- ▶ Significantly reduce peak solar generation output onto the network.
- ▶ Feed into national design guidance for low voltage networks supplying housing estates.
- ▶ Deliver insights to develop incentives which we hope will allow us to roll out solar plus storage to tens of thousands of homes in our region.
- ▶ Solar panels typically cut electricity bills by up to 30% and batteries can add further savings of up to 20% by allowing residents to use free energy, generated during the day, at night to save money.
- ▶ Inform how the inclusion of batteries in solar schemes can enable connection of more PV panels before further network reinforcement is required.

## 3. Building new capability – future-proofing our network

In January 2018 we were excited to announce the details of our **£83 million** ED1 programme to prepare our region’s economy to support the future needs of our stakeholders and customers, including rapid growth of electric vehicles, domestic heat pumps and renewable power.

Our programme is the UK’s most comprehensive network upgrade. It is creating the backbone of a smart grid, supporting the North’s ambitions to put the low-carbon technology at the centre of its economy and enabling solutions that could

save our customers up to **£500 million** by 2031 – an important priority for our stakeholders

#### Smart Grid Enabler engagement

**81%** of our stakeholders supported our plan for this investment to:

- ▶ Use new technology to enable greater capacity for our customers to be connected without adding as many new cables or transformers as would be traditionally needed, saving costs.

- ▶ Give customers the opportunity to participate in demand-side response to reduce the cost of running the network.

At the third event of the year to share our thoughts on the transition to DSO, one stakeholder said: *‘Very commercial but not too technical. An excellent level of understanding from the speakers overall. Great, because you had engineers speaking on the technicalities of the projects.’*

### Outputs

NEW

#### Smart Grid Enabler programme

The programme will upgrade equipment dating from the 1950s to the 1990s and install new technology. It includes:

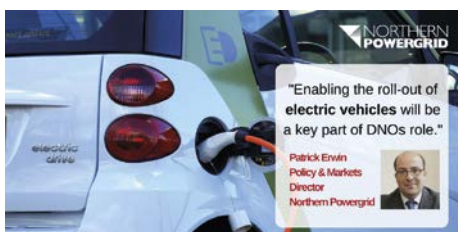
- ▶ Installing high-bandwidth digital communications links to over **860** major substations and **7,200** secondary substations, replacing old analogue links.
- ▶ Replacing transformer monitoring control units in **750** major substations. This equipment allows us to control voltage to support low carbon technologies connecting to the grid.
- ▶ Replacing or upgrading substation controllers in over **860** major substations.

- ▶ Installing monitoring equipment for the first time in **1,300** secondary substations and obtaining data from **2,000** existing sites.
- ▶ Establishing a dedicated smart network policy and development team to coordinate the programme, which will be carried out by a team of nearly **100** specialist engineers.
- ▶ Recruiting and training staff in the skills needed to install and operate more dynamic control systems, develop the smart solutions they will enable and integrate these into routine operations.
- ▶ By 2023 we will have replaced or installed more than **1,900** substation and transformer control units that allow engineers to monitor and control equipment in real time.

### Outcomes and benefits

The programme will:

- ▶ Give us the potential to avoid spend of up to **£500 million** more than if we had to rely on conventional solutions from 2023 to 2031.
- ▶ More resilient, future proofed network will reduce power interruptions for our customers.
- ▶ Give us the capability to develop sophisticated new ways of managing the network.
- ▶ Underpin our transition to DSO, providing a platform to roll out smart, cost-effective solutions to actively manage a network with complex power flows that are hard to predict.
- ▶ Make us ready to support rapid growth of electric vehicles, heat pumps and solar power in the next decade, while maintaining a reliable system and keeping costs as low as possible for all our customers.
- ▶ Give us the ability to support the ambitions of the Northern Energy Taskforce for the North to lead the UK’s low-carbon transition and create a regional economy that could be worth **£15 billion** a year and support **100,000** jobs by 2050.



Jenny Saunders, consumer vulnerability expert, will drive discussions at our next DSO event about how we can support vulnerable customers to ensure no one is left behind.

NORTHERN POWERGRID

*Part 3*

## Consumer vulnerability approach, initiatives and outcomes

2017/18



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## Part 3 – Consumer vulnerability approach, initiatives and outcomes

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### 1 Introduction

2017/18 headlines  
2018/19 priorities

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### 2 Our strategy and approach

Our consumer vulnerability strategy  
Embedding our strategy  
Future proofing our strategy

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### 3–4 Expanding our understanding of vulnerability

Our approach to addressing vulnerability  
Managing our data to get results  
– Ensuring quality PSR data  
– Understanding the social issues in our region  
Using data and feedback to inform, prioritise and tailor our approach

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### 5 Increasing access to the hard to reach

Extending our reach through partnerships  
Reaching vulnerable communities through trusted local partners

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### 6–7 Improving our services for vulnerable customers

Targeted and tailored support  
Our priority service commitments and measures  
Measuring service quality

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### 8 Developing our people, culture and capacity

The right tools to do the job  
Tailored training delivering results

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### 9–10 Developing our partnerships

Improving partnerships and collaboration  
Partnering Communities Fund  
Reviewing, expanding and targeting existing partnership services  
Powergrid Cares programme





Living and working in the north throughout my life means that I am well aware that our region has some of the highest levels of vulnerability across the UK in health, poverty and education. However, our research painted a bleaker picture than I first imagined. As many as 60% of our customers can experience financial hardship and it is estimated that 1 in 5 of households in our region live in fuel poverty.

These insights sharpen the wider sense of responsibility that we feel to support sustainability and address vulnerability in the communities where we live and work. Our team has developed our social programme to do exactly that. Our obligation to create best value with the funds (provided by our customers) has led us to focus the benefit our social programme offers, making a clear link to our core role and our statutory and social duties.

This year we have found innovative ways to set specific measures and service standards for vulnerable customers, using customer insight and external expertise to calibrate new delivery models for our most vulnerable customers. We have engaged large numbers of our colleagues through a training programme that improves their knowledge, confidence and ability to deliver these additional services. Our teams are encouraged to 'do the right thing' by our customers, to follow their moral compass, and never to overlook a difficult or concerning situation. A bespoke toolkit guides our field staff to embed this service.

Others qualified to say so tell me that our social responsibility programme has been leading-edge for some time and is now well developed. The greatly increased accuracy in our own customer data, coupled with additional insight available through some newly commissioned research, means we are better placed than ever to make a difference. Essential programmes and partnerships such as 'Powergrid Cares' are an embedded part of our routine, and we are continuing to build local networks, partnerships and initiatives, like our PSR referral network and the extension of our 'Partnering Communities Fund'. These mean that our limited resources can have a much wider effect where the benefits can be greatest.

We are building local expert networks, targeting our PSR recruitment to those most in need and ensuring our staff recognise vulnerability in order to offer a tailored response to meet these needs, whenever they see them and whatever the circumstances.

Our social programmes are a source of pride to everyone at Northern Powergrid. We know the characteristics of our region because we live here, yet our understanding has been deepened with accurate and adaptable data which allows us to combine our people, our training and our strong sense of purpose to deliver decisively for those who need us most.

**Phil Jones**  
President and CEO

## 2017/18 headlines

**83%**

satisfaction with  
our PSR services

**96%**

PSR customers  
back on supply  
within six hours

**£272,958**

savings for  
customers through  
Powergrid Cares  
programme

**100+**

new partners in  
our PSR referral  
network

**70+**

health and  
resilience  
professionals  
engaged with PSR

## 2018/19 priorities

**Strengthening our health  
partnerships to reach those  
most at risk**

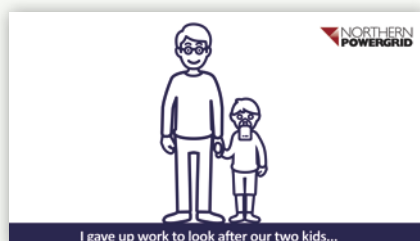
**Setting and targeting holistic  
service standards for our  
vulnerable customers**

**Embedding service standards  
and excellent customer service  
to meet our customers' needs**

NEW

CASE STUDY

Innovative digital health campaign



Our health promotion campaign has been developed by feedback from our local community workshops and our health partner event. We know that people experiencing health and mental health issues are most at risk from a power cut so we wanted to target our next Priority Service Register (PSR) awareness campaign at this group. In West Yorkshire, we have the highest levels of health and mental

health issues. We know that we now have a network of health professionals who are in a good position to support a digital campaign. Using anonymised case studies from interviews with our vulnerable customers we have designed an innovative campaign with animations and regional voice overs. We're looking forward to launching it in West Yorkshire over the coming months and sharing the results.

**The aim of our Consumer Vulnerability strategy is to provide the best possible support and assistance to our vulnerable customers, informed by a detailed understanding of their needs.**

## Our Consumer Vulnerability strategy

Our strategy is formed by our stakeholders using the processes explained in Part 1. It is supported by a three-year delivery programme and tracked internally through our established management processes and externally via our Stakeholder Panel and Social Issues Expert Group. This integrated design and delivery is under continual review and open to stakeholder challenge. It has evolved into

a successful programme because of the quality of this challenge.

Our strategy has three key objectives with two supporting enablers as detailed in the table below. These provide a framework and focus for each part of our organisation. Each department has its own detailed plan with objectives refined to the parameters in the

area of the business in which it works.

There is a robust reporting structure and governance which is supported by the social responsibility team. We go into further detail around each of these areas in the following pages of this submission.

OUR AIM				
To provide the best possible support and assistance to our vulnerable customers, informed by a detailed understanding of their needs				
OUR KEY OBJECTIVES			OUR ENABLERS	
1. Expanding our understanding of vulnerability	2. Increasing access to the hard to reach	3. Improving our services	4. Developing our people, capacity and culture	5. Developing our partnerships
<p>► In order to provide the best possible support to customers we have, and will continue to, invest in developing our knowledge about our customers. We have to understand who they are, where they are, and what their needs are both now and into the future.</p> <p>We use this knowledge to help raise awareness of our Priority Services Register (PSR), and to tailor our support services. This knowledge also helps us to engage with people who are hard to reach by removing any barriers they may face in accessing our services and representing their views.</p>			<p>► Delivering high quality support for customers in vulnerable situations is a responsibility of everyone at Northern Powergrid and is instilled into our business at every level. We know we can't do this alone, and so by developing our people, our partnerships, and our understanding through research and industry best practice, we can identify who is best placed to provide the support our customers need, when they need it.</p>	

## Embedding our strategy

Whilst our overarching strategy has remained consistent, our focus over this last year has been on embedding this service across the business. We have done this in the following ways:

- Run workshops with colleagues to share our strategy and discuss the many ways in which they can implement services in their respective areas. We have made a commitment to run at least one creative workshop per year to refresh their plans.
- Our Social Responsibility Management Group (SRMG) engages monthly with the leaders

from all areas of the business to discuss and monitor progress and help shape our current and future plans.

- Each SRMG lead reports against their own departmental plans; this gives them ownership for developing new initiatives and for delivering services to our customers in a meaningful way.
- Comprehensive Consumer Vulnerability targets and measures have been developed by the business, our stakeholders, and our Social Issues Expert Group.

► Through our Key Business Activity reporting our senior managers and executives receive monthly metrics and progress updates on our Consumer Vulnerability and Social Responsibility programmes.

- Consumer Vulnerability and Social Indicator data is now part of the assessment criteria within our innovation project decision-making process.
- PSR customers are part of the prioritisation criteria used by our network investment planners to guide infrastructure upgrades.

## Future-proofing our strategy

We know that we have good data on the current key social issues impacting our region and this informs our annual review of our strategy and the supporting three year plan which underpins this. We are working hard to understand how these and future social trends and indicators impact on our customers in the future. The headlines from our social indicator research report are:

- Population – All Northern Powergrid areas record a lower rate of growth to 2030 than the projected national rate of growth.

► Old Age Dependency Rate (OADR) – Most Northern Powergrid local authorities are projected to have a higher Old Age Dependency Rate than the national average of 36%, indicating a higher proportion of elderly population in the Yorkshire and North East by 2030 – this is highest in our more rural areas.

- Life expectancy – Statistics at birth, and at age 65, indicate that most local authorities in the Northern Powergrid area have a lower life expectancy than the national average.

Whilst the joint DNO report (see page 4) shows a general expansion of people requiring PSR services it is clear from the research to date that this is not a one size fits all across the country or even within our region. We want our services for the coming years and throughout ED2 to be fully informed, thought through, consulted on and fit for purpose, therefore we will be working hard to understand exactly what this will mean for the people and the communities we serve.

**Understanding the needs of our customers and the different types and levels of vulnerability helps us to shape our plans and prioritise our activities to offer the best possible support across our communities.**

## Our approach to addressing vulnerability

To focus our approach we have identified three broad groups of vulnerable customer need. Below we outline our role in supporting them:

Defined Customer Group	Our role
▶ Customers who need extra support when accessing and receiving our services or as a result of a power loss or interruption.	▶ To provide tailored support to their needs during a power cut and when accessing our wider services, for example connections.
▶ Customers experiencing vulnerabilities which Northern Powergrid has a legitimate role in addressing, reducing or supporting.	▶ To develop innovative ways to support our customers and communities experiencing affordability and wider societal issues with an aim of reducing vulnerability in the future.
▶ Customers who are less able to represent themselves or their interests in energy matters.	▶ To give our customers a voice – acting as an advocate when discussing industry policy and to share best practice.

Following the review of industry needs codes in June 2017 we analysed how representative our current register was in comparison to the profile of the communities we serve. This analysis has shown that over 60% of the population in our region could potentially qualify for our PSR, furthermore changing circumstances can increase or lessen a vulnerability for these customers.

So there is not a 'one size fits all' solution, which is why we seek to offer a range of tailored services to customers in vulnerable situations, whether they are registered on our PSR or not.

However, given the potential scale of support required, we set an approach which recognises that the effects of a power cut can cause an increased level of detriment to priority customers in the following areas:

- ▶ All medically dependent customers.
- ▶ Chronic/serious illness.
- ▶ Mental health.
- ▶ Dementia(s).
- ▶ Temporary, e.g. post-hospital recovery.

We are training all our colleagues to identify and respond to vulnerability when they see it. Our PSR recruitment campaigns are targeted to those most at risk, so that our services are proactively offered to those most in need.

## Managing our data to get results

The last two years has seen us focus significantly on data acquisition, analytics, data cleanse and management of our PSR and our Social Indicator

Mapping. We are finding that what comes with data is a wealth of opportunities and

a responsibility to ensure we use the information appropriately and securely.

### Ensuring quality PSR data

We ensure no individual record goes for two years without a review. That way we can be more assured that we are holding up-to-date, quality information in order to provide the best level of support. If they call us, our PSR customers will route directly through to our dedicated advisor team to provide that enhanced service. These advisors will update records and customer needs at that time. Based on their feedback we write, either digitally to our customers or through mail, to advise of the need to renew information. We offer multiple channels for our customers to interact making it as easy as possible to amend their information.

Our PSR data headlines for 2017/18 are:

**175,000**

records updated using multiple channels – 31,000 wish to remain on the register

**191,376**

new PSR customers signed up this year

**144,000**

records removed as a result of data cleanse

**710,377**

people on PSR

**26.6%**

growth in PSR

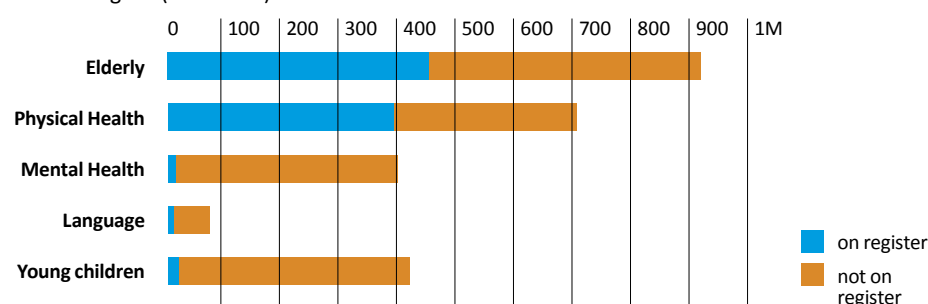
We know from engaging with our stakeholders, vulnerable customers, and their representatives, that health and mental health are most at risk in the event of a power cut. Therefore, this is where

we are focusing our efforts for recruitment in the coming year with young children and customers whose first language is not English to follow.

We profile our records to our social indicators (see bar chart on the right). This analysis reveals where we need to focus our efforts for PSR recruitment to address the demonstrable gaps (see bar chart on the right), as well as ensuring we have sufficient resource in place now and in the future to meet the service commitments our customers require (see page 6). We will continue to benchmark our records against our social profiles to inform initiatives and our recruitment campaigns.

### Current profile of our register informing our recruitment campaigns

PSR coverage of (thousands)





## Understanding the social issues in our region

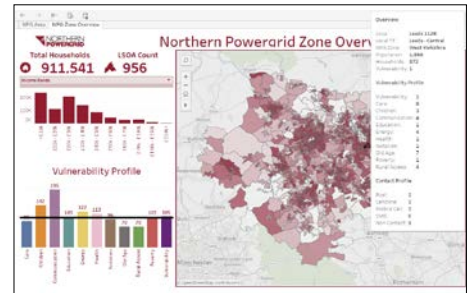
In 2017 we explained the initiatives we'd taken, working with Experian to gather detailed data to understand our customers. In 2018 we've taken this to the next level. With Experian we've developed a web-based system which allows us to interrogate and use the valuable data we've gathered, helping us to make better informed decisions to improve our services and target resources as outlined below.

NEW

The joint DNO research into future social issues impacting the PSR predicted an overall increase in the number of households qualifying for the PSR over the next decade. The research also found emerging areas of vulnerability including:

1. Increase in palliative care driven by an ageing population and medical advances.
2. Increased reliance on medical devices driven by new technology.
3. Increased reliance on electricity affecting the amount and nature of support DNOs are required to provide.
4. Local generation: New PSR intervention measures may be needed to cover future patterns of power consumption.

We are considering this to inform future PSR recruitment and provision of services and have commissioned an additional piece of social research which will give us greater detail on what this means in our region specifically. The research report is due in May 2018.



## Using data and feedback to inform, prioritise and tailor our approach

### The insight

- ▶ Potentially 60% of our customers could meet the Ofgem criteria for vulnerability.
- ▶ The duration of a power cut determines vulnerable customer needs, so our services must be tailored and flexible to address this.
- ▶ Vulnerable customers consider communication to be the most important service we can offer before and in the early stages of a power cut.
- ▶ Profiling our PSR-registered customers against potential PSR customers under the needs codes shows us that:
  - Elderly people are the most represented
  - People with health issues and children under five are areas with the largest potential gaps.
- ▶ Some of our communities have complex multi-layered social issues which require a tailored and targeted approach from our engagement and partnership programmes.

### How we're using the insight

- ▶ Targeted 105 awareness campaigns in areas with lowest awareness (see below).
- ▶ Tailored and targeted PSR awareness campaigns around health and mental health (see page 1).
- ▶ To review, expand and target existing partnership programmes (see page 9).
- ▶ Targeting vulnerable communities and health organisations to build our PSR referral network (see page 9 and Part 1 page 5).
- ▶ To set service standards/commitments (see page 6).
- ▶ To set and measure performance targets.
- ▶ To manage services and improvements.
- ▶ To adequately resource the services offered and required.
- ▶ Refreshed the membership of our social issues expert group to reflect social profiles; NHS England and social housing provider Gentoo joined the group.
- ▶ Held a Powergrid Cares partners pilot session to trial data sharing and training.

### Our informed approach

- ▶ Through training all colleagues in identifying and responding to customer vulnerability we will offer tailored services to all vulnerable customers when they are needed.
- ▶ We will prioritise the most at risk for PSR recruitment, ensuring they receive services proactively – focusing on health.
- ▶ We will continue to target our engagement and develop wider social partnerships in our most vulnerable communities.

### In 2018/19 we will:

- ▶ Run five consumer vulnerability training and data-sharing sessions with our local PSR referral networks and Partnering Communities Fund applicants.
- ▶ Explore how we can responsibly share the online tool with key strategic partners like Local Authorities and resilience partners to inform and target programmes in our shared communities – maximising our impact.
- ▶ Run a pilot community engagement project with Yorkshire Water to raise awareness of the PSR and the services we both offer.

NEW

CASE STUDY

## Geographically targeted PSR promotional campaigns



### Feedback and insight

- ▶ Awareness of Northern Powergrid in South Yorkshire one of lowest in region at 4% (June 17).

- ▶ South Yorkshire has 3 of the top 15 most vulnerable areas in the region (Experian).
- ▶ Key vulnerabilities identified as poverty, rural isolation and health.

### What we did

To test a more targeted approach, we identified the top postcode areas with the highest prevalence of these vulnerabilities and tailored a door drop campaign to two key groups: the rural elderly and the urban young. The leaflets included a 105 fridge magnet and PSR

application form and were tested with community partners and customer focus groups.

### The outcomes






- ▶ Awareness in those South Yorkshire areas increased to 12% after the campaign.
- ▶ PSR registrations in South Yorkshire during the campaign grew by 28%.
- ▶ Awareness of 105 increased from 4% to 15% – an almost four-fold increase.

**Our increased understanding of our vulnerable customers and communities has helped us to strengthen partnerships in these local areas and target our efforts to reach those most in need through trusted experts.**

## Extending our reach through partnerships

As reported last year we take three key approaches to increasing access to the hard to reach. These are set out below along with examples of how this has supported us over the last year. The table summarises a wider selection of our hard to reach partnerships.

1. Working with third sector and other organisations that already have relationships or are seen as trusted channels within hard to reach communities to offer enhanced services and support. We held a workshop with health professionals and wider resilience partners to further build our PSR partner network (see Part 1, page 8).
2. Working with trusted partners and hard to reach communities to understand how we can best communicate key messages, raise awareness and signpost further support. We have recruited over 100 community partners who have informed the review of our PSR materials and become PSR referral partners (see our case study below).
3. Proactively going out to communities to share information and provide support. Using our social data and awareness research we have targeted our PSR recruitment campaigns (see our case studies on page 1, health recruitment and page 4, geographic targeting).

Social Pillars	Type/Characteristics	Examples of our support and partnerships
 Vulnerability	<ul style="list-style-type: none"> <li>▶ Physical and mental well-being</li> <li>▶ Recovering from a life-changing event</li> </ul>	<ul style="list-style-type: none"> <li>▶ Oxygen Providers</li> <li>▶ NHS</li> <li>▶ NPg Rapid Engineers</li> </ul>
 Affordability	<ul style="list-style-type: none"> <li>▶ Relationship status</li> <li>▶ Age</li> <li>▶ Fuel poor</li> </ul>	<ul style="list-style-type: none"> <li>▶ Powergrid Cares – see p10</li> <li>▶ Colleague volunteering</li> </ul>
 Community	<ul style="list-style-type: none"> <li>▶ Rural areas</li> <li>▶ Multicultural communities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Warm Hubs</li> <li>▶ Partnering Communities Fund</li> <li>▶ Colleague volunteering</li> </ul>
 Education	<ul style="list-style-type: none"> <li>▶ Not in education or training</li> <li>▶ Care leavers</li> <li>▶ Girls in STEM</li> </ul>	<ul style="list-style-type: none"> <li>▶ Ahead partnership STEM and skills programmes</li> <li>▶ School safety programme</li> </ul>
 Engagement	<ul style="list-style-type: none"> <li>▶ Digital exclusion</li> <li>▶ English not the first language</li> </ul>	<ul style="list-style-type: none"> <li>▶ Partnering Communities Fund</li> <li>▶ Language Line (translator facility)</li> <li>▶ Browsealoud on website</li> </ul>

Since we began delivery of this hard to reach, data-driven programme in November we have seen significant increases in PSR activity, particularly through digital channels. The % increases in activity through key on-line metrics from April to October and from November to March when we delivered the engagement and campaigns are:

- ▶ **193%** increase in online PSR applications
- ▶ **97%** increase in hits on Powergrid Care website
- ▶ **71%** increase in unique users on Powergrid Care website

## NEW CASE STUDY

### Reaching vulnerable communities through trusted local partners



#### Feedback and insight

- ▶ 15 areas of highest vulnerability identified through social indicator data.
- ▶ Grouped into six key urban areas: Bradford, Leeds, Hull, Sheffield, Newcastle, Middlesbrough.
- ▶ Historically, we've had low response rates from our direct contact with vulnerable/hard to reach customers who often prefer to receive information through a trusted local partner.

#### What we did

Ran eleven events in local community buildings, promoted through local community partner networks, e.g. Community Voluntary Associations. Round table consultative events designed to:

- ▶ Consult with grass roots service providers on the accessibility of our PSR communications.
- ▶ Raise awareness of PSR and substantially extend our PSR promotional partners network.
- ▶ Promote our Community Fund (page 9).
- ▶ Discuss current challenges and further support we could provide.

Following the events, we redesigned our PSR literature in response to their feedback regarding the needs of their organisations and the vulnerable customers they support. We created an on-line resource area and offered a free print service for leaflets, posters, information sheets and application forms.

There was significant interest expressed for Northern Powergrid to run training and data-sharing sessions to support our local community partners like Citizens Advice, in targeting and delivering our services, as well as their own, to build a more sustainable network.

#### Outcomes and benefits

- ▶ PSR materials simplified and revised to have more impact – informed by experienced vulnerability partners.
- ▶ 96 attendees from organisations including health, mental health, job centres, fire and rescue, many supporting customers with multiple vulnerabilities.
- ▶ 89% overall satisfaction with the events.
- ▶ 93% likely to promote PSR following events – an increase of 60%.
- ▶ All attendees are now part of a network we will continue to support and expand.
- ▶ 1,500 printed resources have been requested, 149 downloads of partner resources on-line.

Our research, data and engagement with vulnerable customers has given us a clear picture of their service needs and priorities. We are now establishing a holistic suite of services to successfully meet those needs.

## Targeted and tailored support

### EMBEDDED

The vulnerability matrix we introduced last year is now embedded as part of the consumer vulnerability training and toolkit rolled out this year. The tool provides guidance to our Contact Centre colleagues, helping them to understand how customers' needs evolve over the lifecycle of a power cut, and prompts them to consider the support services most relevant to each customer.

We continue to learn more about our customers' needs and adapt/develop our approach through our regular PSR customer surveys. This feedback is helping to inform our service commitments.



## Our priority service commitments and measures

### SCALED UP

Over the last six months we have built on this framework by measuring performance in order to set targets for our services through a set of Priority Services commitments. These commitments align to feedback from our customers in vulnerable situations, and their representatives, about their needs

and expectations. Vulnerable customers' needs are very similar to those of all customers in the early stages of a power cut in that they want us to keep the lights on or get them back on as quickly as possible and to keep them informed of progress. We have been working to set the metrics and ensure we have the correct processes, resources and technology in place

to accurately measure and report on their delivery. The commitments have been guided by our Social Issues Expert Group and our wider stakeholder panel and we will be testing them back directly with vulnerable customers from April before finalising and reporting on them publicly.

Our approach	Our commitments	Example metrics	Our current performance
We originally looked at undertaking no planned works at all under 0 degrees but our stakeholder panel fed back that connections customers, commercial or otherwise, may want to go ahead if any other customers were not affected – regardless of the temperature.	▶ We will minimise disruption wherever possible (avoiding impact).	▶ We will not conduct any planned works affecting PSR customers when the temperature falls under 0 degrees.	▶ 53 jobs deferred due to low temperatures.
We always try to get the power back on as soon as possible for all customers. Some jobs are trickier than others so a 0% target may be unachievable, however through looking at targeting generation for PSR customers we can find ways to keep them warm and well over longer periods, ensuring they have power when they need it, even if not directly from the grid.	▶ In the event of a power cut we will restore power as soon as possible.	▶ 0% electrically medically dependent PSR customers experience a power cut over 6hrs. ▶ A maximum of 10% of PSR customers experience a power cut over 6hrs. ▶ All PSR customers to be restored within 12hrs.	▶ 4.45% ▶ 4.19% ▶ 99.59%
We began to measure and report against a range of communication and service metrics in 2018. We have some initial figures but needed to strengthen processes and reporting to ensure we have an accurate picture of activity in order to set stretch targets and test these with customers.	▶ We deliver tailored services that meet the needs of our vulnerable customers.	▶ Six proactive and reactive communications metrics. ▶ All PSR customers offered support for over 6hr interruptions. ▶ >95% satisfaction for PSR support overall.	▶ Reported from April 2018. ▶ Reported from April 2018. ▶ 83%
Our new vulnerability training roll-out means 100% of staff will be trained to a high standard by September 2018. Through embedding this in our induction and refresher training cycles we will ensure this is maintained. We have also developed a set of metrics to ensure this is having a positive impact on services delivered.	▶ We will ensure everyone is equipped to understand and respond to the needs of our vulnerable customers.	▶ 100% of our colleagues receive vulnerability training every three years. ▶ 90% of frontline colleagues receive face-to-face vulnerability training in 2017/18. ▶ 100% of colleagues receive on-line vulnerability training by September 2018.	▶ Reported from September 2018. ▶ 86% of frontline colleagues received face-to-face vulnerability training. ▶ 74% of colleagues so far have received on-line vulnerability training.
Our data cleanse cycles are embedded and our social indicator data is helping us to target campaigns and engagement of referral partners to ensure we are reaching the most vulnerable.	▶ We will proactively manage our PSR and target promotion to recruit the most vulnerable.	▶ Contact everyone on our register every two years. ▶ Establish partner referral networks to increase PSR registration and engage the hard to reach.	▶ 100% customers contacted through data cleanse every 2 years. ▶ Over 100 new partners this year.



## Measuring service quality

To ensure our customers receive the highest level of service consistently, we have implemented our 10 out of 10 quality framework; which:

- ▶ Establishes clear expectations and standards.
- ▶ Enables colleagues' performance to be observed, assessed and scored.
- ▶ Provides leaders with the opportunity to provide high quality feedback and coaching for continuous improvement.
- ▶ Recognises and rewards great quality conversations with our customers.

The quality framework focuses attention on actively demonstrating care, empathy and providing reassurance and action to the customers who need us the most.

We have doubled the number of PSR customers we survey every year to 3,000; assessing their satisfaction with registration right through to those experiencing a planned or unplanned power cut.

The surveys not only inform us of our performance and PSR customer satisfaction but a series of questions drill down into their expectations and concerns in the event of a power cut so we can understand changing needs and trends to inform service delivery and development.

NEW

We have revised our survey this year to provide us with a stronger customer base for surveying. There are now three surveys, which identify if a customer has experienced a planned or unplanned power cut, or if they have registered on the PSR within the last six months prior to surveying. This means rather than coming across customers who have experience of a power cut by chance, we know who they are already; it also means their responses are more targeted and give a truer view of our service. As it always has, their feedback falls into our continuous improvement cycle, helping us to pinpoint areas for further improvements.

## Feedback from Care Quality Indicator surveys

9.5/10

score for ease of registering on the PSR

8.4/10

Overall satisfaction with PSR services for planned power cuts

8.2/10

Overall satisfaction with PSR services for unplanned power cuts

*When I did ring the number everyone was very helpful I said my husband was dependent on machines to get to bed and obviously I couldn't lift him and they were very very good*

*They are excellent at keeping us in touch and letting us know what is happening*

*I think it is very essential that the people that need it most get the service quicker*

*I didn't have to go through loads of hoops, it was sorted out very quickly, I was very impressed and I thought you know everyone could learn something from them, the way they handled the call and the information was so easy, quick and easy, brilliant. It's not often you get that these days is it*

*My husband has a non-invasive heart and lung machine so he would need a generator if the power was off for more than six hours as it has a six-hour battery life*

Colleagues from across the company are implementing their departmental plans tailoring services within their areas to offer an enhanced service for our vulnerable customers.

NEW

### Suitcase generators

Our colleagues in the North East have been trialling the use of suitcase generators, modified to quickly and flexibly restore power to customers homes, not just a single appliance, to make our customers more comfortable in their own homes, whilst striving to restore full power as quickly as possible.

The trial has been extended as we want to ensure we have a safe, reliable and efficient solution to offer. In the initial stages using petrol generators we identified an issue with the generators cutting out. We have worked with the local manufacturer to design a simple relay trip switch which can be used safely and remotely by customers. Whilst this addresses issues of safety and inconvenience, the petrol generators currently only run for four hours. We are

exploring LPG generators which offer 20 hours of power but the associated cost and safety issues are significant. We continue to work on developing the right solution and hope to be deploying these as part of our service standards within the next regulatory year.

NEW

### Improving the process for emergency disconnections and reconnections for vulnerable customers

Our connections team received a reconnection request from a customer who was suffering from cancer and had to be disconnected due to a significant house fire. Recognising not only the health aspect of vulnerability, the team realised that the very nature of a house fire could put a customer into a vulnerable situation, outside the parameters of a standard disconnection and reconnection. They immediately adapted their services to support the customer and this has resulted in a review of this area of the business for vulnerable customers. Although these cases may prove to be few and far between,

when they do happen the impact for the customer can be devastating.

Piloted since November 2017 the project is looking at the following:

- ▶ The framework/scenarios for identifying vulnerability in this area, e.g. a house fire would not automatically qualify if, for example, it was a disconnection as a result of a fire but then resold at auction in that condition.
- ▶ The current service standards and potential improvements, e.g. offering to visit site and give one-to-one support on what can often be complex sites with multiple contractors rather than needing to go on-line for quotes and to access services.
- ▶ Reviewing the current commercial arrangements, e.g. deferring payment rather than asking for it upfront at a particularly vulnerable time in terms of affordability.

We will continue the pilot throughout 2018 to ensure we have enough examples of individual cases to inform an improved, tailored service.

## Embedding holistic services for vulnerable customers – now and in the future

We feel we have a far greater understanding of the needs of our vulnerable customers than ever before and although we will be testing and shaping our PSR service commitments back with vulnerable customers themselves, we look forward to having a holistic set of core service targets in place within the next regulatory year.

However, we're aware that all customer needs are constantly changing, including those of our vulnerable customers. Over the next few years we will therefore be:

- ▶ Investing in further understanding of future social needs and trends inside and outside our industry – such as the joint DNO social research along with our own.
- ▶ Closely monitoring PSR performance metrics enabled by our Customer Relationship Management system.
- ▶ Understanding the social impact of our wider work and its relationship with some of our most vulnerable communities.

We believe that these core areas of activity will be essential as we develop, test and deliver robust plans for vulnerable customers' support into the next price control and beyond.

**Our colleagues are trained to recognise vulnerabilities. They have the tools available and the autonomy to respond with a service tailored to the situation to ensure they do the right thing for our customers.**

Our PSR is our main mechanism of identifying our customers experiencing vulnerabilities and we expect this to continue in the long-term. However, we recognise that a power cut increases vulnerability for all our customers,

and there are some who are vulnerable that are unknown to us for various reasons. Whilst our support services were implemented with our PSR customers in mind, they are available to anyone who requires them, at any time. In

order to achieve this we make sure all our colleagues have the capability to effectively recognise and respond to customers in vulnerable situations.

## The right tools to do the job

In addition to our tailored training and the autonomy to offer the tailored services needed, we make sure our colleagues have the right frameworks, support and processes in place to make this happen. This year we have:

- ▶ Included Consumer Vulnerability awareness into our induction and PSR support services as part of our quality framework.
- ▶ Simplified and clearly explained our PSR referral network and processes, including safeguarding.
- ▶ Developed our new Safeguarding policy, in partnership with the National Training Academy and Citizens Advice.
- ▶ Revised our Consumer Vulnerability toolkit – on-line and in hard copy – to support the revised training programme and the range of services we offer.

- ▶ Embedded our vulnerability needs assessment matrix within our contact centre processes.
- ▶ Incorporated consumer vulnerability awareness sessions in operational colleague briefing meetings reaching 95% of frontline colleagues.
- ▶ Introduced social champions across the business, to help get the message out, to encourage volunteering, to look for opportunities to share and learn from good practice across the business and to identify new opportunities for service improvements.
- ▶ Bolstered our volunteering programme – raising awareness through direct involvement with individuals in vulnerable situations.



*“Volunteering for a day with the Green Doctor really opened my eyes to the issues some of our customers are facing. We talk about fuel poverty and the decision to heat or eat but when you see it with your own eyes it really brings home how important our support and the service we offer is. I was passionate about supporting vulnerable customers and communities before but I feel like I can be a stronger ambassador for this within the executive team and in the business now.”*

**Patrick Erwin, Policy and Markets Director**

## Tailored training delivering results

This year we have designed and delivered a bespoke face-to-face and online training programme in collaboration with experts from Money Advice Trust, regarded as vulnerability best practice leaders within the financial services sector, and National Training Academy, best practice leaders in on-line training.

The face-to-face training has been designed to be interactive, and to take advantage of the conversation generated by the diversity of the roles gained from attendance across different business areas. Activities are completed in groups and cover:

- ▶ Defining vulnerability.
- ▶ Identification of customers in vulnerable situations.
- ▶ Indicators of vulnerability.
- ▶ Tools/techniques for gathering relevant data.
- ▶ Our Priority Services toolkit.
- ▶ Our Consumer Vulnerability Assessment Matrix.
- ▶ The basics of safeguarding adults and children.
- ▶ The importance of reporting back.

The conversation generated throughout the training provides attendees with the opportunity to learn about different business areas and roles, and how the services they each provide can link together.

The online training covers the same information and requires a 75% pass mark to successfully complete.

The key to the success of this training has been the input of experts who have spent time understanding our business and the involvement of colleagues in testing and developing the programmes.

## Measuring impact

### As a result of the training:

- ▶ **100%** of attendees knew what the PSR was, compared to **61%** before training.
- ▶ **95%** of attendees felt prepared to report a safeguarding concern to the relevant organisation(s), compared to **51%** before training. Five colleagues have made safeguarding referrals.
- ▶ We have developed a new safeguarding policy in partnership with The National Training Academy and Citizens Advice.
- ▶ We regularly receive feedback on how colleagues are translating the training into action:

*“Provided overnight accommodation for family of three adults and hot meals due to medical condition and distress of long duration power cut.”*

*“An elderly lady let me know that her electric blanket was very hot and she didn’t like to turn it off through the night as she got cold. I was concerned for her safety so we contacted the fire service to organise a Health, Safety and Well-being check.”*

*“Got customer a generator but it could not be fitted safely so managed to get customer into a care home for the day.”*

*“Fast tracking a reconnection as customer was renovating property after a fire and had cancer.”*

**Our third sector partnerships are fundamental in helping us achieve sustained impact in our vulnerable communities.**

## Improving partnerships and collaboration

We have continued to improve our partnerships this year to reflect good practice within the industry and build on the feedback from last year's submission:

- ▶ Further reviewed the reporting arrangements and introduced a much closer working relationship throughout the year across all our partnerships. We receive quarterly progress reports with agreed metrics which are then discussed and reviewed at a subsequent face-to-face meeting.
- ▶ Included a set of guiding principles and decision-making criteria which inform our assessment framework before we agree any new projects.
- ▶ Mapped partnerships to our most vulnerable areas and addressed gaps through scale-up and targeting support (see below).

- ▶ Working closely with partners – taking a holistic approach encouraging cross-referrals, best practice sharing, running joint training sessions and sharing data.
- ▶ Ensured our partners are GDPR compliant.

Since 2015 we have been working with the Trussell Trust, establishing 'More Than Food' grants to reach customers when they are most in need. The grants support food banks to pilot and deliver enhanced services such as debt advice, efficiency advice, well-being and healthy eating programmes, helping to address underlying issues in addition to immediate needs. Three years into the partnership we wanted to review progress and further understand their challenges. The resulting survey undertaken with foodbanks outlined needs and gaps in current funding provision and the fund has been revised to reflect feedback.

As a result we have:

- ▶ Increased minimum grant awards to £5,000 from £2,500 and simplified reporting to encourage smaller organisations to participate and enable reporting.
- ▶ Included PSR registrations as a standard requirement of the grant.
- ▶ Ensured that Trussell Trust can directly fast-track service users experiencing fuel poverty through to the Powergrid Cares service as this includes a regional specialist debt advice programme.
- ▶ Offered PSR, Consumer Vulnerability and basic fuel debt advice training through Northern Powergrid or our partners.

For the six projects which received funding in March this year it is estimated that we will reach over 11,500 people in need.

### EMBEDDED

### CASE STUDY

#### Partnering Communities Fund



#### The need

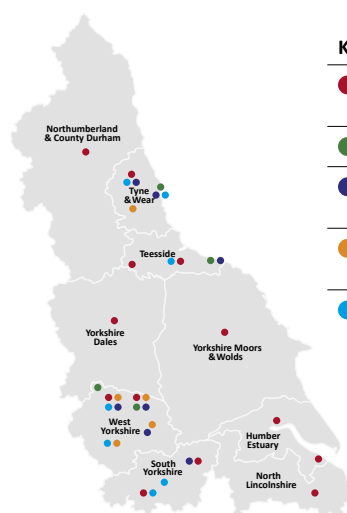
- ▶ We have seen a shift in the last two years from generation projects towards affordability and energy efficiency applications to our Community Energy Seed Fund.
- ▶ Through our partnership with Northern Gas Networks we recognise that we are often both supporting the same or similar projects or organisations separately.

#### What we did

We have expanded the criteria of our Community Energy Seed Fund, now in its fourth year, to support projects which deliver against any or all of our social objectives. Our Partnering Communities Fund was launched in November 2017 and we received 33 applications from a range of large and small community organisations and charities. In order to understand the cross-over between our two funds Northern Gas Networks was a member of our assessment panel along with wider stakeholders and we were part of theirs. This has led to agreement that we will join our funds in 2018 to ensure a more holistic approach and the best possible impact for our shared customers.

#### The outcomes

- ▶ Driving local innovation through working with organisations who have the in-depth knowledge of the areas, issues and individuals they support.
- ▶ An open and transparent approach to identifying potential partners, allowing us to assess like-for-like solutions in a managed way.
- ▶ Seven innovative projects reaching more than 1,750 people, delivering benefits and learning that we can share with wider partners and potentially scale up if successful. For example:
  - Citizens Advice Sheffield and Law Centre – advising the deaf community on energy saving, switching and PSR.
  - Thornton Lodge Action Group – alleviating hardship associated with fuel poverty for digitally excluded people in Huddersfield.



#### Key

- Community events and outreach – PSR promotion
- Partnering Communities Fund projects
- School employability programmes – Ahead partnership, Maths Inspiration, Big Bang
- School energy efficiency programmes – Energy Heroes
- Forthcoming Partnering Communities Fund projects

### SCALED UP

### CASE STUDY

#### Reviewing, expanding and targeting existing partnership services

A key development we reported last year was identifying our most vulnerable communities in order to target vulnerable groups, prioritise investment and support community-based education and volunteering programmes. Emerging best practice married with Social Indicator Mapping has enhanced our approach to working with our most vulnerable customers this year. The map shows just a snapshot of where some of our key programmes have been deployed.

Our Partnering Communities Fund which will join with the NGN fund in 2018 is allowing us to target initiatives and partnerships by geography and need, something we will build on in the coming years where we may have gaps.



**Powergrid Cares is our flagship partnership programme which offers a holistic approach to addressing issues of fuel poverty and affordability for our customers who are in most need.**

## Powergrid Cares programme

**SCALED UP**

Since we began our partnership with Citizens Advice Newcastle back in 2014 we have been piloting, reviewing, enhancing and scaling up the services we offer to our customers experiencing fuel poverty and affordability issues. The Powergrid Cares

model simplifies access to debt-advice and wider provision through two direct points of contact with Citizens Advice Leeds and Newcastle and also through our wider partners: Trussell Trust, Relate and Green Doctor. A dedicated number means our colleagues and partners can fast track customers who need extra support. The service responds to the personal needs identified by our

customers and helps them receive relevant support. It also provides critical support through a new Hardship Fund for those facing acute fuel poverty or crisis. The model supports Northern Powergrid-funded projects to collaborate and share learning to achieve excellent customer-centred provision.

- ▶ Established Trussell Trust Partnerships grant programme.
- ▶ Introduced fuel debt advisor support with Citizens Advice Newcastle.

- ▶ Piloted Green Doctor programme with Northern Gas Networks.
- ▶ Enhanced our Trussell Trust grants to be more energy related – more than food.

- ▶ Expanded fuel debt advisor model to Citizens Advice Leeds – service available across our patch.
- ▶ Green Doctor programme agreed to run through to 2019.

### Today

- ▶ Relate feasibility study begins and Powergrid Cares model embedded as an enhanced service.
- ▶ Training/sharing learning event across all partners.

### Forthcoming

- ▶ Relate to deliver training to wider community partners throughout 2018.

2014/15

2015/16

2016/17

2017/18

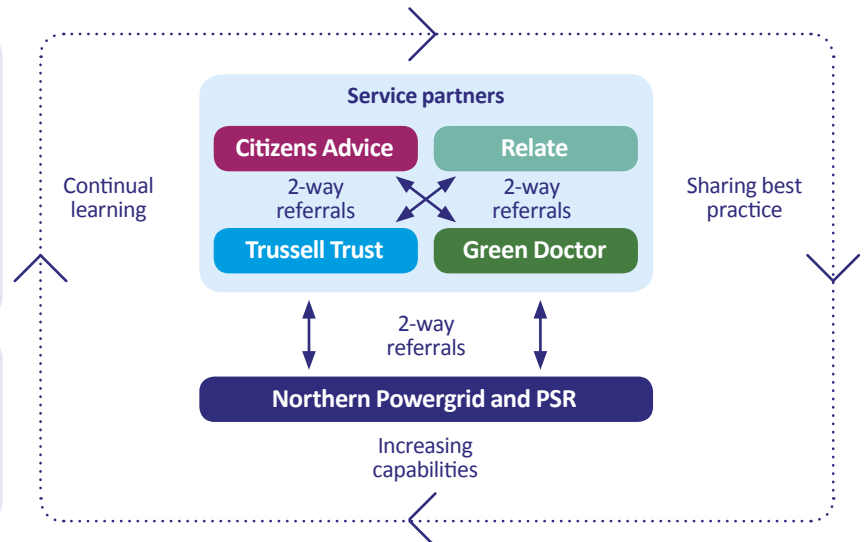
2018/19

*"The Powergrid Cares model allows me to work with clients over time, so I'm able to build trust and really understand and respond to the issues affecting them. A large part of what I do is income maximisation and financial capability but I know there's a network of partner specialists to provide support – it's a holistic and collaborative approach to supporting vulnerable customers with complex needs."*

Vicky Emsley Specialist Advisor, CA Leeds

*"At a recent national Citizens Advice meeting my colleagues felt that Powergrid Cares was a best practice model which should be replicated across the country."*

Shona Alexander CE, CA Leeds



	EMBEDDED	EMBEDDED	EMBEDDED	NEW
<b>Powergrid care partner</b>	Citizens Advice Leeds and Newcastle	Trussell Trust	Green Doctors	Relate
<b>Service offered</b>	Three funded specialist Energy Debt Advisors who offer in-depth and holistic fuel poverty advice, referrals and support as well as addressing wider health, affordability and other social issues.	More Than Food grants encourage innovation; enabling foodbanks to provide specialist debt and benefits advice along with wellbeing and health support to maximise outcomes for service users.	Home visits where small energy efficiency measures are installed and energy efficiency advice is given. Education of frontline workers and the general public is also provided.	Relationship counselling support available; recognising the link between emotional well-being and wider vulnerabilities such as fuel poverty. One-year pilot introduced in response to feedback from existing partners.
<b>Customers supported directly</b>	<b>1,682</b>			
<b>Overall customer benefit</b>	<b>£272,958</b>			
<b>Cost per customer supported</b>			<b>£61.49</b>	
<b>Benefit per customer</b>				<b>£162.28</b>

### Outcomes and benefits

- ▶ Overall PSR referrals – 515.
- ▶ 52 households switched either energy supplier or tariff.
- ▶ 75 households claimed the Warm Homes Discount.
- ▶ 1,522 energy advice saving and winter warmth measures installed.
- ▶ 576 other services delivered including CO detectors, dehumidifiers, blankets and hot water bottles.
- ▶ Green Doctors achieved match funding of £99,000 to offer multi-agency approach to tackling inter-related issues in Bradford.
- ▶ Our customers receive holistic support to address their needs.
- ▶ Improve the support services offered to our customers by helping refer them to appropriate, professional and independent services in a safe, non-judgemental way.
- ▶ SROI – for every £1 invested: £11.16 additional income; £8.17 in wider economic benefits and social benefits; and £1.57 in fiscal benefits.
- ▶ Customers receiving £80 towards fuel debt as part of hardship fund to date have experienced complex issues including debt, anxiety, depression, cancer, unemployment and drug addiction.



